

South Korea Put on Alert Amid Hunt For Gunmen

Peace Talks at Risk As North Is Suspected In Attack on Defector

By Andrew Pollack
New York Times Service

SEOUL — South Korea went on a terrorism alert Sunday as policemen and soldiers fanned out in an intensive hunt for two men, suspected to be North Korean agents, who shot a prominent North Korean defector Saturday night.

The brazen assassination attempt, as well as the defection last week of a high-ranking North Korean ideologue, have dramatically stepped up the Cold War animosity on the heavily armed Korean Peninsula and could derail recent steps toward easing tensions.

"If it's a North Korean hit, it's going to be hard to keep the other things going," an official of the U.S. Embassy in Seoul said Sunday.

But he added that both Washington and Seoul were hoping that the recent events would not set back efforts to

South's president hangs on. Page 4.

arrange peace talks with the North to construct nuclear reactors there or to provide new food aid for the nation.

Lee Han Young was near death Sunday night in a hospital in Bundang, a southern suburb of Seoul, after being shot in the head as he stepped out of an elevator in front of the 14th floor apartment in which he was staying. Mr. Lee, 36, is a nephew of Sung Hae Kim, who is usually described as the first wife of Kim Jong Il, the North Korean leader, though it is unclear if the two were actually married.

Because of his connections, Mr. Lee's 1982 defection had been kept a secret, and he had even changed his name and undergone plastic surgery.

But his cover was blown a year ago when South Korean newspapers reported that his aunt was trying to defect. It appears that Mr. Lee himself, in financial straits, sold the story to the newspapers, making himself an instant celebrity — but also probably a marked man. Ms. Sung's whereabouts are not exactly clear, but it is reported that she never defected and lives in Moscow.

After an emergency cabinet meeting Sunday, Home Affairs Minister Suh

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Fears Grow For Health of Peru Hostages

By Calvin Sims
New York Times Service

LIMA — As negotiations to end the rebel takeover of the Japanese Embassy residence here proceed ever so slowly, the physical and psychological well-being of the 72 hostages inside is deteriorating, raising concern that the captives will suffer severe medical consequences if the crisis is not resolved soon.

Citing the declining health of the hostages after 59 days of captivity, the International Committee of the Red Cross, the Roman Catholic Church and relatives of those detained have renewed calls in recent days for the Peruvian Government and Marxist guerrillas to speed up the talks.

Mediators trying to resolve the crisis indicated Saturday that talks may have bogged down, issuing a vague statement suggesting that the two sides need to move closer if talks are to continue, The Associated Press reported from Lima.

Almost all the hostages suffer from serious ailments that require daily medication and regular monitoring by doctors, including hypertension, heart disease, diabetes, digestive disorders and

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Police sealing off the entrance Sunday to the apartment building where gunmen shot Lee Han Young in the head.

Albright Looks for 'Beef' in Europe

By Steven Erlanger
New York Times Service

BONN — Secretary of State Madeleine Albright began a worldwide tour in Rome on Sunday, trying to consolidate NATO's position on its relationship with Russia before she gets to Moscow on Thursday.

She described her talks in Europe as an effort to add "beef" to the proposed NATO-Russian charter that Washington hopes will persuade Moscow to acquiesce in a NATO expansion it cannot stop in any case.

But Mrs. Albright also spent some time Sunday trying to avoid another public spat with Paris, where she arrives Monday, determined to smooth over ruffled relations.

NATO is already split over a French proposal for an April summit meeting of the four biggest NATO countries — the United States, Germany, France and Britain — with the Russians.

The Italians oppose any meeting that will exclude them, let alone other NATO members, on decisions that affect the entire 16-nation alliance.

At a press conference in Rome on Sunday before Mrs. Albright flew on to Bonn, Foreign Minister Lamberto Dini explicitly criticized the French proposal, saying acidly that "all matters of security and defense are questions all countries will tackle — we need full consensus."

"Consequently we don't favor the idea of a restricted group of countries making decisions for NATO," he added.

In her response, Mrs. Albright was more circumspect, presumably bearing in mind that Paris is also on her schedule. "It is the substance we're interested in at this stage, not the process," she said.

She pointed out that two summit meetings are already scheduled — Presidents Bill Clinton and Boris Yeltsin in Helsinki on March 20-21,

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Mrs. Albright in Rome, a presidential guard behind her. The U.S. secretary of state began her world tour in Italy on Sunday trying to develop a European consensus on NATO expansion.

World War II's Unfinished Business

By Steven Erlanger
New York Times Service

WASHINGTON — World War II, with its global carnage and the Holocaust, is the epic of our age. Each generation has its own increasingly complicated interpretation of the war's meaning and mysteries, its heroes and villains, and more than 50 years later it retains the power to shock and surprise.

Not only has the war suddenly reached out to transform the biography of the new secretary of state, Madeleine Albright, but it is also the source of issues that are engrossing her department and the foreign policy of the United States.

"It is extraordinary how much time we as a government are spending on questions coming directly out of World War II," said Nicholas Burns, the State Department spokesman.

"The war was the compelling, shaping event of the century, and it is back with us."

There are specific issues like Nazi gold and the role of Switzerland and its banks during the war; there are bilateral issues like German annoyance with U.S. criticism of Bonn's treatment of the Scientology movement,

which it judges to be a Nazi-like cult; there are judicial issues like the allegedly lax pursuit of accused Nazi war criminals living in Canada and the United States, and there are personal issues like Mrs. Albright's newly revealed Jewish ancestry and the impact this revelation may have on her policies.

Above all, perhaps, there are issues of regional identity, like the continuing

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effort to restructure European security so the continent is no longer a potential source of genocidal war.

U.S. foreign policy is dominated by issues of European security that stem from the unfinished business of the war. With the collapse of the Soviet Union, the various organizations designed by "the wise men" of the West to provide stability — the North Atlantic Treaty Organization, the Organization for Security and Cooperation in Europe, the Organization of Economic Development, even the European Union — all need to be modernized and broadened.

But the Soviet collapse has also altered moral perspectives. The end of World War II was followed so quickly

by the Cold War and the effort to contain Moscow that any campaign to investigate the behavior of Western Allies was pushed aside.

"The Allies sacrificed the past to the war against Communism," said Amos Perlmutter, a professor at American University.

Self-examination was repressed on the personal and national level, whether the behavior of Vichy France and neutral Switzerland on the Western side of the continent or of East Germany and the Nazi-occupied Baltics on the Eastern. National mythologies — the extent of the French resistance, for example, or the deterrent power of the Swiss Army — went unchallenged.

Even Francois Mitterrand, the former president of France, admitted only near the end of his life that he had worked for the Vichy government.

But with the Cold War over, argues Richard Haass, director of foreign-policy studies at the Brookings Institution, "the moral dimension of foreign policy has become more pronounced," accelerated by reminders of the persistence of genocide in the televised horrors of Rwanda and Bosnia.

Juergen Chrobog, Germany's am-

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Economic Boom Seen In World Telecom Pact

Political and Business Leaders Hail Accord to End Monopolies

Compiled by Our Staff From Dispatches

GENEVA — The World Trade Organization predicts that the weekend agreement to open the \$600 billion global telecommunications industry to the free market will pump new funds into the world economy, create countless jobs and slash phone costs to consumers.

The optimistic forecast, echoed by government leaders in Washington and other capitals, was issued after officials from nearly 70 countries clinched the deal late Saturday at the end of more than three years of negotiations.

"This is good news for the international economy, it is good news for businesses and it is good news for the ordinary people around the world who use telephones or who want to use them," said the WTO's director-general, Renato Ruggiero.

Ending government and private monopolies that still control the industry in many countries would bring rapid growth over the whole telecommunications sector and could add \$1 trillion, or 4 percent, over the next decade to the value of world economic output, he said.

In Washington, President Bill Clinton hailed the pact, expected to go into force in 1998, as offering more jobs, new markets and lower prices to U.S. workers, companies and consumers.

Like Mr. Ruggiero, who argued that a deal would help the poorest countries most by putting "a phone in every village," Mr. Clinton said it would "spread the benefits of a technology revolution to citizens around the world."

U.S. telecommunications companies also applauded the conclusion to talks.

William Esprey, chairman of Sprint Corp., said: "Consumers all over the world will soon be able to enjoy the benefits of choice, technology, quality and lower prices. Sprint believes it is particularly well-positioned, through its Global One partnership with France Telecom and Deutsche Telekom, to offer improved competitive telecommunications services around the world."

Mel Brashers, president of Lockheed Martin's Space & Strategic Missiles Sector, said: "This agreement allows communications consumers worldwide to enjoy access to basic and advanced telecom services. The agreement also helps establish a positive precedent for countries not yet WTO members, such as China and Russia, but that are developing their own national telecommunications policies." (Reuters, Bloomberg)

Key to Unlocking Monopolies

Edmund L. Andrews of The New York Times reported Saturday from Geneva: The landmark agreement commits governments to unlocking the state tele-

phone monopolies that still control more than half of the world's communications business.

The agreement came after weeks of bruising negotiations in which the United States pushed relentlessly for greater liberalization and slowly coaxed concessions from countries around the world.

Washington did not get everything it wanted. American negotiators failed to persuade Canada and Japan to give up rules against foreign companies' buying controlling stakes in their dominant telephone carriers.

But the pact does augur steep price reductions in many parts of the market. As such, it marks a big vindication for

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Stock Gurus Say the Sky Won't Fall (Not Yet)

By Brett Fromson
Washington Post Service

Some Washington policy-makers such as the Federal Reserve Board chairman, Alan Greenspan, may be worried about a stock-market mania, but much of the smart money on Wall Street remains bullish.

Top hedge-fund managers such as Stanley Druckenmiller of the Soros Organization look for the party to continue, even as they keep one eye on the door.

One of the few bears among the financial superstars is Laurence Tisch, a billionaire investor and a friend of Mr. Greenspan who compares the current market with that of 1929.

"If you are a conservative investor, sell," Mr. Tisch advised from his suite at the Breakers hotel in Palm Beach, Florida. "If you are a speculator who thinks you can get out ahead of the crowd in a panic, stay in."

For his part, Mr. Tisch said he held few stocks, with the significant exception of his nearly \$2 billion holding in Loews Corp., the publicly traded insurance, hotel and tobacco conglomerate that he and his brother, Preston Tisch, control.

In an age when everyone has an opinion about where stocks are headed, the words and deeds of the smart money carry considerable weight.

Mr. Druckenmiller controls a huge pot of money — about \$15 billion in the Quantum Fund, which he typically magnifies through borrowings to increase the size of his bets.

Even though Quantum had a poor 1996, Mr. Druckenmiller has an outstanding long-term track record and can move markets. Indeed, it is common for big managers to trade information, or rumors, about "what Stan is up to."

For the present, Mr. Druckenmiller is a bull. "We believe the bull market is intact," he said. "And our positions reflect that."

Mr. Druckenmiller emphasized, however, that his optimism could fade in a minute. He feels comfortable peering no further than three to six months into the future, he said.

"The market feels like it has a lot of momentum," he said. "Two to three months out, we do not foresee a catalyst that would stop the momentum."

Specifically, Mr. Druckenmiller does not expect the Fed to tighten monetary policy, which would help

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AGENDA

Kohl to Run For Re-election

FRANKFURT (AP) — Chancellor Helmut Kohl, facing record unemployment and controversy over his public spending cuts and tax reforms, plans to run for another term next year, the newspaper Bild am Sonntag reported Sunday.

It said Mr. Kohl, who has been chancellor for 14 years, would announce his candidacy for re-election to another four-year term after his annual spring vacation in April.

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American Airlines Resuming Service After Clinton Stops Strike

By Brian Knowlton
International Herald Tribune

WASHINGTON — American Airlines service was nearly back to normal Sunday, a day after President Bill Clinton ordered pilots back to work. But the prospect that his action might merely delay a strike appeared certain to jostle and confuse domestic and international travel until a solution is reached.

Mr. Clinton intervened Saturday to halt a minutes-old strike at the nation's second-largest airline, appointing a board to study the dispute and postponing a walkout by American's 9,000 pilots for at least 60 days.

American flight managers scrambled

to reorganize service and, in the end, canceled fewer than 100 of 2,200 daily departures. Restoration of full service "could be a few days away," said a spokesman at the company's headquarters in Fort Worth, Texas.

Many passengers planning to travel over the three-day U.S. holiday week-

Clinton was finally moved to act by strike's economic impact. Page 7.

and had protectively booked on other airlines, and many American jets flew half-full on Saturday and Sunday.

Some airlines, taking advantage of the ripple effect still rocking Amer-

ican's schedule, said they would continue to add extra flight and staffing over the next few days in key markets.

Tour operators in the Caribbean and in ski resorts, meanwhile, were still fearful of cancellations.

"The next few months will be a mess," said Jeffrey Long, an airline analyst with J.P. Morgan Securities Inc.

"Because of the uncertainty hanging around them for the 60 days or so, people may still likely book away from them."

In explaining Mr. Clinton's intervention, spokesmen cited the huge impact a strike would have had on the economy and on Americans' travel plans. The airline carries 20 percent of U.S. pas-

sengers and has 86,000 employees.

The strike threatened losses to the U.S. economy estimated at \$300 million a day and to the airline of \$20 million a day. Even with a strike averted, for now, American is likely to lose many millions of dollars because of reduced bookings, analysts say.

Travelers will be able to reap some short-term benefits, however, as American cut its fares to lure back concerned customers, and other major carriers responded in kind. An American spokesman said Sunday that response to the fare offer had been "overwhelming."

Mr. Clinton's intervention was the first by a U.S. president in an airline dispute in nearly 30 years, though there

have been 18 major airline strikes in that period. Some critics of his action said he was ill-advised to intervene now.

"It sets a dangerous precedent," Kenneth Quinn, former chief counsel of the Federal Aviation Administration, said Sunday on CNN. "It's going to be very difficult for this president, or any president in the future, to face a strike by a major airline and say it does not constitute an emergency."

The White House spokesman, Michael McCurry, touched on the sensitivity of presidential intervention in a labor-management dispute.

"No Democratic president likes to

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Newstand Prices	
Andorra.....10.00 FF	Labanon.....11.3,000
Arabies.....12.50 FF	Marocco.....16 Dh
Cameroon.....1.800 CFA	Cote d'Ivoire.....10.00 FF
Egypt.....12.50 FF	Finland.....12.50 FF
France.....10.00 FF	Gauche Avila.....10.00 FF
Gabon.....11.00 CFA	Senegal.....1.100 CFA
Greece.....350 Dr	Spain.....225 PTAS
Italy.....2.800 Lire	Tunisie.....1.280 Dh
Ivory Coast.....1.250 CFA	U.A.E.....10.00 Dh
Jordan.....1.250 JD	U.S. (Eur.).....\$1.20



Too Costly, Too Dangerous / But Resorts Are Fighting Back

Downhill Trend: Women Skiers Quit U.S. Slopes

By Edwin McDowell
New York Times Service

WINTER PARK, Colorado — From the time she was 4 years old, Susan Kettle spent almost every weekend on the slopes during ski season. "I even chose Fort Lewis College in Durango because it's near Purgatory," the 35-year-old resident of Highlands Ranch, Colorado, said, referring to the ski resort. "And I taught my husband, Danny, to ski."

But about seven years ago, when the first of her three children was born, Ms. Kettle gave up skiing. "It just took too much time and was too expensive," she said.

In many ways, Ms. Kettle is emblematic of an unenviable problem facing America's \$1.6 billion ski industry: Women have been abandoning the slopes in droves in recent years, their share of a flat market plummeting to 41.2 percent last winter, from 46.3 percent in the winter of 1992-93, according to the National Ski Areas Association in Lakewood, Colorado.

"The industry has long recognized that aging baby boomers have been dropping out of skiing," squeezed by time constraints, costs and safety concerns, among other things, said Lynn Bronikowski, a spokesman for Colorado Ski Country USA, a trade group. "But it is especially true of women because they face additional pressures," such as juggling careers and having children later in life.

And some women, others note, have been put off by the male-dominated nature of the sport, which, they say, has contributed to higher injury rates for women.

It is an ominous trend, ski operators say, voicing a growing realization throughout the travel business of the key role women play, not only in their own right, but also as the likely decision maker when it comes to picking destinations for family vacations.

"The ski industry is just beginning to wake up to the importance of the women's market, and it's doing something about it," said Charles R. Goeldner, a professor of marketing and tourism at the University of Colorado in Boulder.

While ski operators say they can't do a great deal about the high cost of equipment and lift tickets, they say they are making a concerted effort to help women feel more welcome on the slopes — and to find more time to be there.

Many resorts are introducing women's ski and snowboarding programs and adding women instructors. A few, like the Winter Park resort here, 70 miles (110 kilometers) west of Denver, offer day care for toddlers and beepers for mothers.

"We've even beeped mothers off the ski trail to breast-feed their babies," said Joan Christensen, a spokesman for Winter Park.

The industry is also offering a bigger range of family-oriented fare — everything from sleigh rides, dog sledding and skating trails to snowmobiles, toboggan hills and ski bikes — that can be less expensive, and less forbidding, than skiing itself.

It is too soon to know if these various blandishments will succeed in luring women back, although the industry appears to be attracting some who left the slopes when they had children. Last winter, 72.1 percent of women at ski resorts were there with their children, according to the National Ski/Boarder Opinion Survey, up sharply from 61.7 percent in 1993-94.

The concern over women is coming during a period in which the number of visits to ski resorts has barely budged since the winter of 1992-93, when 54 million were recorded. (A visit is defined as one person at a ski resort for any part of a day.) With traffic flat and costs rising, smaller operators have been squeezed, making this period one of industry consolidation as well.

It is against such an unsettling backdrop that



Eva Merriam, a part-time ski instructor at Stone Mountain Resort, enjoying a fast descent. Women in general, however, are abandoning the slopes in droves.

ski operators are vying with cruise lines, theme parks and other resorts — all of which they view as direct competitors for discretionary dollars — to attract women, especially those with young children.

"Our research indicates it's almost always the female who is pushing for a cruise vacation," said Tim Gallagher, a spokesman for Carnival Cruise Line, which carries about 130,000 children a year. "So our marketing is primarily targeted at women."

LIKEWISE, Marriott Corp.'s most recent survey of vacation planning found that women chose the family vacation from 61 to 64 percent of the time.

The ski operators have a lot of hurdles to overcome. Besides complaints about lack of time and high costs that many women voice in surveys, there is the extra danger that they face. The rate of injury in downhill skiing is more than 50 percent higher for women than for men, and almost 70 percent higher on snowboards.

"In our practice," said Jim Chalut, a Denver lawyer who represents many skiers, "people who get injured on the slopes are almost always women or children."

While many women skiers can hold their own with men, "lots of women who are not that skilled or that committed prefer to ski with and be taught by other women," said Joy Spring, the vice president of Leisure Trends Group, a research firm in Boulder.

To satisfy that preference, more than half the nation's 519 ski resorts have lately added special seminars, workshops and instruction clinics for women, from beginners to experts. These include many resorts in Vermont, from Stowe and Killington to Acute and Bromley, as well as 23 of the 24 resorts in Colorado, by far the nation's busiest ski state.

On Feb. 7-9, for example, Aspen held a Women's First Weekend, while Vail offers women's workshops for all skill levels except what it terms "never-ever skiers."

But perhaps no place has been more responsive to the issues raised by women skiers and snowboarders than Winter Park, a resort with 20 chairlifts nestled against the western slope of the Rockies. On Jan. 20-24 it was home to National Women's Ski and Snowboard Week.

Throughout the season, it holds mini-clinics one to three days, which provide video critiques. And the resort's day-care center takes

children as young as two months. Mary Jan Lantz of Austin, Texas, did not need the center because she left her three children at home with her husband while she attended women's week here.

"Women instructors just understand our questions and problems better," she said during a break from a lesson on one of Winter Park's 121 trails. "Or maybe it just seems that way because it's a non-threatening environment." Sharon Connolly of Denver, still wearing a knee brace after having torn a ligament while skiing two years ago, concurred. "I wanted to learn from a woman," she said, "because their teaching style is different, not as aggressive."

For many women, the biggest appeal of all-women sessions is the camaraderie.

Phyllis L. Miller, 71, who did not start skiing until after bypass surgery in 1984, drove here from Mesquite, Nevada, with her husband, Kelsie, after reading about the weeklong event in a magazine. "He and I do lots of things together," she said, smiling at her husband, a nonskier, during a post-luncheon interview. "But from time to time, I like doing things with women."

ONE of the changes that is making skiing more inviting is the proliferation of equipment made for women. "Until recently, women pretty much had to make do with equipment designed for men, who are taller, stronger and heavier," said Claudia Carbone of Breckenridge, Colorado, a founder of the Snow Sports Association for Women. Now, "nearly every manufacturer makes skis and other equipment designed for women," said Ms. Carbone, the author of "Womenski" (World Leisure Corp.), a book that deals with such topics as confidence building, conditioning and cold.

If not for the drop in women skiers, the industry would likely have grown steadily the last several years, instead of going largely in circles. Last year's 53.9 million visits represented a slight improvement over the previous winter, but was still below the 54.6 million visits in the 1993-94 season and the 54 million in 1992-93.

Whether the slopes are crowded or not, the costs of running resorts remain high. Aspen Skiing Co., for example, spent \$7.5 million adding snow-making equipment last year at its Snowmass ski area. Vail's new high-speed gondola cost \$9 million. Each slope-grooming vehicle can easily cost \$150,000 — and Vail has 45 of them, Aspen 30.

To get more skiers on the slopes, the resort operators are going after more than just women. Hoping to replenish the pipeline for the future, Colorado recently offered free ski passes to its 58,000 fifth graders.

And some resorts in the state are marketing to minorities, the fastest-growing segment of the so-called echo boomers — the 78 million children of the baby boomers. The Copper Mountain Resort, for example, recently held a Ski Fiesta weekend that was well attended by Hispanic skiers, while Vail recently was host to the Brotherhood of Black Skiers, a fraternal group based in Atlanta.

Moreover, surveys have found renewed interest among some middle-aged Americans. Mr. Goeldner, the Colorado marketing professor — who did not learn to ski until he was 35 — said that with today's modern equipment, chairlifts and well-groomed slopes, there was no reason why people who know their limits could not ski until they are 90.

Mrs. Miller, the septuagenarian from Mesquite, Nevada, is not sure about that, but she is determined to give it a try.

"Skiing's fun," she said after lunch, as she suited up for another go at the mountains. "Besides, it sure beats dying in a rocking chair."

Drivers Ask Juan Carlos To Resolve Truck Strike

Compiled by Our Staff From Dispatches

MADRID — Striking truck drivers called on King Juan Carlos I to intervene and resolve a 11-day-old dispute that has caused supply shortages for factories and markets and forced some companies to halt production.

"The king is the guarantor of law and order and the only person capable of unblocking the situation," a spokesman for the strikers, Jose Luis Soldevilla, said Sunday after a second round of talks with government officials ended in disagreement.

The two sides were to meet again. Development Minister Rafael Arias Salgado hit out at the strike, saying it was causing "grave damage to the economy" and was being waged by a minority of drivers. He asserted that an agreement reached Saturday with the National Transport Committee, which represents a majority of Spain's 200,000 truck drivers, had met the demands of the strikers.

The National Transport Committee backs the strikers' demands but not the strike itself. It has held several rounds of talks with the government that have been ignored by the strike representatives. Mr. Soldevilla, however, said the accord reached Saturday was "laughable."

The protesting drivers are demanding fuel subsidies, a freeze on truck driving licenses, recognition of job-related illnesses and the lowering of the retirement age to 60 from 65. The stoppage has been called by trucking groups representing about 30 percent of drivers.

Several factories, including the Ford and Nissan auto companies, have had to halt production, and others advised workers not to come in on Monday if the strike continues. Police protection has been provided for trucks wishing to work. No incidents were reported Sunday.

The Spanish Taxi Confederation, meanwhile, called for partial strikes throughout Spain on Monday to press for demands similar to those of the striking truckers.

Foreign Minister Abel Matutes said the government would adopt measures to avert economic paralysis if the strike was not called off.

"We must seek an equilibrium between the right to strike and the right of the majority not to be harmed by the interests, no matter how legitimate, of a small minority which in no case has the right to paralyze Spain," Mr. Matutes said. (AP, Reuters)

Lebed Begins 6-Day Visit To 'Get to Know' France

The Associated Press

PARIS — Alexander Lebed arrived here Sunday on a six-day visit, during which he will meet with French government, political and business leaders.

"I'm here to get to know France. I don't know France. France doesn't know me. That's why I'm here," said the retired Russian general and former national security adviser to President Boris Yeltsin of Russia.

Belgrade Tells Foreign Press to Beware

Compiled by Our Staff From Dispatches

BELGRADE — The government Sunday warned foreign journalists to be careful with their reporting of Serbia's political turmoil as opposition parties girded for a battle with the authorities over press freedom.

The warning by Information Minister Radmila Milentijevic signaled that the government, which already controls most of the Serbian news media, would try to spread its influence to foreign reporters.

She told the pro-government daily Politika: "We must especially hold foreign journalists responsible for what they write. This means that if they write something that is not factually correct, we should react and demand that the truth be corrected."

Miss Milentijevic, a newly appointed loyalist to President Slobodan Milosevic, added: "In view of the force and influence the media exert on the shaping of public opinion and government policy, their responsibility is exceptional."

In its last crackdown on the

foreign news media in 1994, at the height of the war in Bosnia-Herzegovina, Serbia refused to renew the accreditation of almost 20 foreign journalists whose reporting the authorities disliked.

The government control of the news media worries the opposition coalition Zajedno, whose street protests forced the government to recognize its election victories in Serbia's main towns.

The coalition has threatened to resume demonstrations unless media controls are relaxed by March 9. In Serbia, the main broadcast and print media are under strict state control. Independent radio has limited range and the government rations the supply of newspapers and magazines. The limited reporting by the state media of the Zajedno demonstrations was hostile to the opposition.

Zajedno leaders say access to the state news media will be crucial to their chances of beating the ruling Socialist Party in parliamentary and presidential elections later this year.

In the wake of Parliament's decision Tuesday to recognize opposition victories in local elections in 14 of the country's largest cities, Zajedno on Saturday called a halt to its demonstrations. But the coalition set a new dead-

'We must especially hold foreign journalists responsible for what they write.'

line for Mr. Milosevic in its campaign to end half a century of Socialist rule in Serbia.

A Zajedno leader, Zoran Djindjic, told supporters: "Let us give them a chance to show an intention to free the media and, if they fail to do that by March 9, then what else can we do but go out into the streets again?"

Another of the three opposition leaders, Vuk Draskovic, described the victory over the local election results as "only the first step, but an enormous step."

The opposition will hold a celebration Friday to mark the first session of the opposition-led local council in Belgrade.

"Prepare well, because it will be jolly and it could last all night," said another opposition co-leader, Vesna Pesic.

Miss Pesic, the leader of the smallest of the coalition parties, the Civic Alliance, said that opposition supporters could, if they wished, join demonstrations by still protesting students who are pursuing separate aims, which include the removal of Belgrade University's vice chancellor.

But overall, the opposition's tone is softer, an attempt to revert to purely political ground after the strident confrontation of the past three months.

Mr. Draskovic, leader of the biggest opposition partner, the Serbian Renewal Movement, said, "Serbia needs a Serbo-Serbian dialogue."

An editorial in Politika called Saturday on the government and opposition to cooperate.

"Is it possible for the authorities and Zajedno representatives to work together after all that has happened in Serbia over the past three months?" the paper asked. "There is no question of a dilemma. They can and they must do so." (Reuters, AFP)

TRAVEL UPDATE

Replacing a San Francisco Bridge

OAKLAND, California (AP) — State officials want to tear down and replace the 60-year-old eastern span of the San Francisco-Oakland Bay Bridge, which partly collapsed during an earthquake in 1989.

The proposed bridge — with wider lanes and plenty of emergency space — would cost \$1.5 billion to build. The favored option, called the skyway, would consist of two five-lane bridges set side by side. Depending on public response, the bridge could open in seven years.

A 50-foot (15-meter) section of the bridge collapsed after the earthquake, killing one person and trapping others.

Nigerian domestic airlines have unilaterally decided to raise fares by 200 percent this week in defiance of a government recommendation of a 40 percent increase, aviation sources said. A spokesman for the Airline Operators of

Nigeria said it was the only way the industry could "earn enough income to keep our aircraft in good state and maintain high safety standards." (AFP)

Air France plans to increase its direct flights between Paris and Jakarta to five weekly starting in mid-June as part of a move toward a daily link by the end of 1998. (AFP)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: United States.
TUESDAY: Cambodia, Nepal.
WEDNESDAY: Puerto Rico.
FRIDAY: Bangladesh, Sri Lanka, Thailand.
Sources: J.P. Morgan, Reuters, Bloomberg

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Europe				Asia			
City	High	Low	Temp	City	High	Low	Temp
Algeria	64	44	54	Bangkok	84	64	74
Amsterdam	54	44	49	Beijing	64	44	54
Antwerp	54	44	49	Bombay	84	64	74
Athens	64	44	54	Brussels	54	44	49
Bahia	84	64	74	Calcutta	84	64	74
Bahia	84	64	74	Chengdu	64	44	54
Bahia	84	64	74	Chongqing	64	44	54
Bahia	84	64	74	Colombo	84	64	74
Bahia	84	64	74	Hanoi	64	44	54
Bahia	84	64	74	Hong Kong	84	64	74
Bahia	84	64	74	Kobe	64	44	54
Bahia	84	64	74	London	54	44	49
Bahia	84	64	74	Manila	84	64	74
Bahia	84	64	74	Medan	84	64	74
Bahia	84	64	74	Mumbai	84	64	74
Bahia	84	64	74	Nagasaki	64	44	54
Bahia	84	64	74	Osaka	64	44	54
Bahia	84	64	74	Seoul	64	44	54
Bahia	84	64	74	Singapore	84	64	74
Bahia	84	64	74	Taipei	64	44	54
Bahia	84	64	74	Tokyo	64	44	54
Bahia	84	64	74	Yokohama	64	44	54

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THE AMERICAS

White House Was Warned on Ties to Asian Donors, Documents Show

By Stephen Labaton
New York Times Service

WASHINGTON — Foreign policy advisers to President Bill Clinton and Vice President Al Gore repeatedly warned against maintaining ties and granting access to several Asian-American fund-raisers and donors who sought to influence U.S. policy and capitalize on their White House connections, according to documents released by the National Security Council.

The documents were disclosed in an effort to aid the nomination of the former national security adviser, Anthony Lake, as director of central intelligence. But they also raised new questions about why Mr. Clinton and Mr. Gore continued relationships with certain fund-raisers after officials at the National Security Council raised questions about them.

"The fundamental import of some of these documents is that we had a National Security Council, professional people, that gave warning, I think, pretty good counsel that should have been more closely heeded," Michael Mc-

Curry, the White House press secretary, said Friday.

The papers, internal memorandums, e-mail and notes culled from the files of the security council, show that a security council aide advised "great, great caution" about Mr. Gore's participation in a fund-raising event at a Buddhist temple in California with ties to Taiwan. Mr. Gore attended the event at one of the most tense moments in U.S. relations with China and Taiwan, one month after U.S. warships were sent near Taiwan in response to Chinese military exercises protesting Taiwan's first direct presidential election, in March 1996.

The documents also suggest that as early as April 1995, Mr. Clinton recognized the potential embarrassment of mixing domestic politics with foreign policy when he expressed concern about the circulation of photographs of him with a group of Chinese officials that included Huang Jichun, the vice president of a Chinese conglomerate that sells weapons.

The officials attended one of Mr. Clinton's weekly radio addresses at the request of the

Democratic National Committee and one of its largest contributors, Johnny Chung, a Taiwanese-American from California who gave more than \$300,000 in the last two years.

"It turns out they are various Chinese gurus and the POTUS wasn't sure we'd want photos of him with these people circulating around," an official at the National Security Council, Melanie Darby, wrote shortly after the visit, using the White House acronym for president of the United States.

In response, a China specialist on the security council, Robert Suettinger, wrote back: "I don't see any lasting damage to U.S. foreign policy from giving Johnny Chung the pictures. And to the degree it motivates him to continue contributing to the DNC, who am I to complain?"

But Mr. Suettinger also said that Mr. Chung should be "treated with a pinch of suspicion."

"My impression is that he's a hustler, and appears to be involved in setting up some kind of consulting operation that will thrive by bringing Chinese entrepreneurs into town for exposure to high-level U.S. officials," he wrote.

White House aides said they did not believe that pictures from the radio address were sent out.

In the summer of 1995, Mr. Chung also tried to insert himself as a negotiator between Chinese and U.S. officials after China imprisoned a leading crusader for human rights in China, Harry Wu — which prompted Mr. Suettinger to warn the White House that Mr. Chung could "conceivably do damage" to U.S.-Chinese relations.

Around the time of the radio address, Mr. Chung contributed \$50,000 to the Democratic National Committee. And around the time he sought the photographs, he gave \$125,000. Amy Weiss Tobe, the committee's communications director, said Mr. Chung's donations were under review, along with many other donations, after several news articles raised questions about their source and propriety.

The documents also show that Charles Yuh Lin Tzue, an old friend of Mr. Clinton's from Little Rock, Arkansas, whose attempts to contribute to a Clinton legal defense fund were

ultimately rejected, urged the president in a letter to reconsider his decision to send the aircraft carriers to Taiwan.

After consulting with Mr. Lake, the president replied to Mr. Tzue by defending his decision and emphasizing that it was "not intended as a threat" to China.

Helms to Vote Against CIA Nominee

The chairman of the Senate Foreign Relations Committee, Jesse Helms, said Saturday that he planned to vote against the nomination of Mr. Lake, but expected him to be confirmed nonetheless. The Associated Press reported.

"I can't support Mr. Lake based on a number of things," Mr. Helms, Republican of North Carolina, said without specifying the reasons. He added that he thought he would be joined by "a lot" of other senators.

But asked whether he thought Mr. Lake would be confirmed, he said, "I expect he will."

Mr. Lake's confirmation hearing is scheduled for March 11.

Away From Politics

• The military's ban on homosexual conduct on or off duty was upheld, 2 to 1, by a court in San Francisco, the third consecutive federal appeals court ruling upholding the government's "don't ask, don't tell" policy on gays in the military. (AP)

• Striking Detroit newspaper unions said they would make an unconditional offer to send 2,000 employees of The Detroit News and The Detroit Free Press back to work after 20 months off the job. (NYT)

• Five people who flew to Farmington, New Mexico, for a Valentine's Day dinner were killed during their return to Albuquerque when their plane crashed in an alfalfa field. (AP)

• A subway worker was crushed to death when a chain holding a 7-foot wide bucket snapped and pinned him against a tunnel wall beneath Hollywood Boulevard. (AP)

• Jurors in O. J. Simpson's civil trial ignored a judge's order to start over, and many had already made up their minds, said Arthur Li, an alternate who joined in the middle of deliberations. He said they went over some of the critical evidence but did not go into "every single detail." (AP)



CHILDREN'S DAY — President and Mrs. Clinton did not have everyone's attention in the Oval Office while announcing details of "Adoption 2002," a report on steps to expedite adoption procedures.

POLITICAL NOTES

Republican Right Is Warned

WASHINGTON — The former finance chairman of the Republican Party, in a bluntly worded letter to major contributors, has warned that the party's future "is in jeopardy" because of the influence of the Christian Coalition and the "far right" and suggested that big donors shift their money to a new organization to promote a moderate agenda for the party.

The letter by John Moran, who was also Bob Dole's finance chairman, called the election of Jim Nicholson as national committee chairman a sign of the Christian Coalition's growing dominance and said the current trend within the party would make it virtually impossible to recapture the White House.

"Bill Clinton was re-elected by the female vote in this country," he wrote in his Feb. 10 letter. "Unless we bring back women and moderates to the Republican Party, it will be a long time before we again see a Republican president."

"I'm surprised and I'm disappointed that John would send out a letter like this," Mr. Nicholson

said, adding that his goal as chairman is to "expand this party" by enlarging its coalition. (WP)

Gingrich Defends 'Outreach'

COLLEGE PARK, Georgia — Newt Gingrich, the House speaker, at a Georgia Republican luncheon, defended his efforts to work with President Bill Clinton and reach out to minority voters against critics who charge he is selling out in the name of bipartisanship.

"The challenge to the Republican Party is to genuinely reach out to every citizen of every background from every neighborhood," he said. "I got a little bit of criticism even from some of my closest friends last week for pursuing this, but I believe it is inevitable and absolutely worth our taking risks," he declared. (WP)

Harriman's Gift to the U.S.

WASHINGTON — Pamela Harriman has made her last gift to the nation. Her will bequeaths her partial

interest in Vincent van Gogh's still life "White Roses," to the National Gallery of Art. (WP)

Averell Harriman purchased "White Roses" in France in 1930. He later gave it to his wife. "He said he hoped I would give it to the National Gallery," she said. In 1991, the painting was displayed in "Art for the Nation: Gifts in Honor of the Fiftieth Anniversary of the National Gallery of Art." It was hanging in the ambassador's residence in Paris when she died on Feb. 5. That she had indeed bequeathed it to the nation was confirmed last Friday when her will was read in Leesburg, Virginia. (WP)

Quote/Unquote

Linda DiVall, a Republican pollster, on a poll showing that most Americans do not want a balanced budget achieved by tampering with the constitution: "People agree in principle we should move toward a balanced budget. But once the constitution is brought into play, people say: 'Wait a minute. Why do we need to bring the constitution into it? Why can't the politicians work it out themselves?'" (NYT)

Extra Spacewalk Ordered to Patch Hubble's Insulation

Compiled by Our Staff From Dispatches

SPACE CENTER, Houston — NASA on Sunday added a fifth spacewalk to the mission of the space shuttle Discovery to repair torn and cracked insulation on the Hubble Space Telescope.

The coating, 2 inches (5 centimeters) thick in places, protects electronics on the \$2 billion telescope from the extreme temperatures in space. The National Aeronautics and Space Administration said that the deterioration had caused no problems but that it was taking no chances.

More thorough repairs will be

made in 1999, the next scheduled service call to the orbiting telescope. The most important of the repairs were to be done Sunday night as an addition to what had been scheduled to be the last spacewalk. Greg Harbaugh and Joe Tamm were to put a thermal blanket over torn insulation near the top of the telescope.

The rest of the new work will be performed late Monday and early Tuesday by Mark Lee and Steven Smith, making an unscheduled third venture of the mission into the open cargo bay. That will involve covering three compartments midway

up the 43-foot-long (13-meter-long) telescope with makeshift materials.

The added tasks will delay deployment of the telescope into open space by one day, to Wednesday. But because the crew will use an extra day that was scheduled for rest, the landing of the shuttle is expected to take place as scheduled on Friday in Florida.

If needed, Discovery could stay up an extra day without breaking into emergency supplies.

Astronauts noticed the shabby condition of the insulation on some parts of the telescope when they

went into the cargo bay for the first time Thursday to replace two science instruments.

There was an 18-inch tear in the thin outer covering in one area and microtear-like pockmarks and cracks like spider webs elsewhere.

Officials explained that the tears and cracks had probably come from repeated cooling and heating of the insulation as Hubble passed from daylight to night and back to daylight 16 times a day for each of the seven years it has been in space. The repairs involved making blankets out of materials aboard the shuttle along with

Velcro fasteners, tape and wire.

Earlier, Mr. Lee and Mr. Smith upgraded three components of the telescope during a seven-hour spacewalk. They completed what was considered the most challenging task of the service call, the replacement of a faulty electronics box.

Working in a jumble of wires, Mr. Lee had to make 18 cable connections to complete the installation. The astronauts then exchanged an aging reel-to-reel tape recorder with a new digital model and replaced a broken flywheel used to maneuver the telescope. (Reuters, AP)

A Clinton Offer on Arms Pact
'Devastating' Response to Chemical Attack PledgedBy Thomas W. Lippman
Washington Post Service

WASHINGTON — Driving to win Senate approval of a treaty banning chemical weapons by an April 29 deadline, the Clinton administration has offered to Republican lawmakers a formal commitment to carry out "overwhelming and devastating" retaliation against any enemy that attacked U.S. troops with poison gas.

"We have said our response would draw on the whole range of weapons in the U.S. inventory," said a senior administration official. The language, which White House officials said would be legally binding on the president, would constitute an unusual written pledge to military action that would imply, but not require, use of nuclear weapons.

The retaliation commitment is part of a package of a dozen assurances advanced by the administration to win support for the treaty from key Republican senators who oppose it or are on the fence.

The treaty has had bipartisan support and was signed under President George Bush. But the Senate Foreign Relations Committee chairman, Jesse Helms, Republican of North Carolina, and other hard-liners oppose it and may have enough votes to prevent it from getting the necessary two-thirds majority for ratification.

As a result, Mr. Helms and other opponents are in a position to extract concessions from the administration. Without Senate approval, the United States will be left on the sidelines when the necessary 65 nations, takes effect on April 29, with or without U.S. participation.

Fear of the diplomatic, political and eventual economic consequences of missing that deadline is driving the White House-Senate negotiations. Some Republican aides said they expected the administration to offer Mr. Helms some of what he wanted on other issues, such as reorganizing the State Department, to win his assent to a vote on the chemical-arms treaty.

The administration's offer to pledge "overwhelming" retaliation is intended to overcome objections by treaty opponents that nations refusing to sign, such as Iraq or Libya, would be free to use nerve-gas weapons with impunity.

The Chemical Weapons Convention bans production, sale and use of nerve-gas weapons and regulates trade in many component chemicals. It establishes an international inspection system and provides economic sanctions against chemical industries of countries that fail to ratify.

Treaty opponents claim the pact cannot be adequately verified or enforced.

AMERICAN TOPICS

With the Oceans Overfished, Aquaculture Has Caught On

With many of the world's oceans overfished, aquaculture — fish farming — has become a rapidly growing industry.

In Colorado, for example, the number of commercial trout farms has risen from 27 in 1994 to 36 last year. Most of those farms produce fish for recreational use.

Private fish farms near Twin Falls, Idaho, on the other hand, produce about 40 million pounds of rainbow trout annually for supermarkets. In Alabama, an aquaculture program at Auburn University did so well selling its fish that the profits permitted it to build 400 experimental ponds, reports The Denver Post.

Although the Chinese have farmed fish in domestic ponds for 2,000 years, the industry is relatively new in the United States. A growing taste for fish among health-conscious Americans has given it a boost. Aquaculture is now one of the fastest-growing agricultural sectors in such states as Idaho, California and Colorado.

Short Takes

Now comes the kosher cybercafé. The

mondo district, set to open soon, will feature a computer at every table, as well as a kosher sushi bar. Cybercafé connoisseurs say it will be the first such kosher establishment anywhere. Only nine years after the first cybercafé opened in Santa Monica, California, in 1988, there are more than 300 such eateries around the world.

New York has its official state muffin (apple); Arizona its official ockwear (bolo tie); and Massachusetts its official dog (Boston terrier). The box turtle is Kansas's official reptile; tomato juice the official beverage of Ohio; and Oklahoma's state song is, well, you guessed it.

Now Texas may be about to get an official state molecule: the buckyball.

The buckyball, a soccer-ball-shaped compound actually known as the Buckminsterfullerene, because its shape resembles that of R. Buckminster Fuller's geodesic domes, was discovered by professors at Rice University in Houston. A Texas legislator and Rice alumnus, Scott Hochberg, thinks the buckyball needs an official place in the state's heart.

He says the idea has broad support, though a group of University of Texas alumni are backing a molecule, Texaphyrin, invented by chemists at that school. Texaphyrin is fine, as molecules go. Mr. Hochberg supposes.

But, as he told The New York Times, "Nobody won the Nobel for discovering that."

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ASIA/PACIFIC

Plagued by Scandal, Seoul's Leader Clings To Fading Mandate

By Andrew Pollack
New York Times Service

SEOUL — Chung Tae Soo, a tycoon who built one of South Korea's largest conglomerates, used to send his chauffeur in a Mercedes-Benz to deliver cartons of apples as gifts to selected politicians and bankers. Hidden under the apples, South Korean prosecutors have said, were piles of cash.

Just who partook of that forbidden fruit is the question that is now roiling South Korea. Mr. Chung's gifts have ripened into a huge scandal that is swirling danger

NEWS ANALYSIS

ously close to President Kim Young Sam, who took office four years ago vowing to wipe out the collusive relationship between government and business that has existed for decades.

But instead of conquering corruption, Mr. Kim is now in danger of being engulfed by it.

Analysts say the scandal shows that bribery is a deeply ingrained, and to some extent accepted, part of the business and political culture here that will be difficult to uproot as long as the government retains such strong control over the economy.

Four people in Mr. Kim's inner circle — a cabinet minister and three members of the National Assembly — have been arrested and accused of accepting hundreds of thousands of dollars apiece from Mr. Chung.

Prosecutors say that in return they did favors, particularly helping to arrange bank loans to Mr. Chung's Hanbo Steel & General Construction Co. company, which collapsed last month under nearly \$6 billion in debt.

Also arrested have been a close aide to the opposition leader Kim Dae Jung, two bank presidents, Mr. Chung and another Hanbo executive. The president has called for a full investigation.

With one year remaining in his five-year term, Mr. Kim is in danger of becoming a lame duck. In addition to the scandal, his administration is still reeling from widespread strikes that erupted in late December after Mr. Kim's New Korea Party steamrolled a new labor law through the National Assembly. His approval rating in public opinion polls has plummeted from more than 80 percent after he took office early in 1993 to far less than 20 percent now.

Prosecutors say their investigation is complete. This is making some people suspect a coverup, since the prosecutors are under the control of the president. With the Whitewater investigation in the United States taking years, they say, it is preposterous to say that the Hanbo inquiry could be wrapped up in only three weeks.

The National Assembly is to convene a special session on Monday, mainly to hold hearings on the scandal. President Kim is expected to eventually express his regret to the nation and conduct a shake-up of his staff, cabinet and party.

"Hambogae," as some are calling the affair, is not the only bribery scandal to hit the Kim administration. A defense minister and a labor minister were convicted of taking bribes earlier in Mr. Kim's tenure, and a health and welfare minister resigned after his wife was arrested for accepting money from an industry association.

A top aide to Mr. Kim was arrested and convicted last year and charged with accepting money from businessmen. In other corruption scandals, 16 bank presidents

have also been arrested. Analysts say a cause of the corruption is that the government exercises strong control over business and the economy, so paying politicians or bureaucrats can open up big profit opportunities for companies.

Party leaders need money to give to party candidates, and lawmakers are expected to give gifts to constituents on various occasions. "Lawmakers are supposed to pay more than average people at weddings and funerals," said Kim Chull, spokesman for the governing New Korea Party.

He said that while President Kim "never received even one penny," from businessmen, his aides who were arrested might have used money "to manage their organizations," and to "take care of their colleagues."

During South Korea's three decades of dictatorship that started in the 1960s, the government chose some family-owned companies, known as *chaebol*, to be the engines of industrial development. The *chaebol*, which have grown into gigantic conglomerates that dominate the economy, were given loans at favorable interest rates by commercial banks, which functioned essentially as arms of the government.

That is at the root of the Hanbo affair. Banks lent money to Hanbo far in excess of what would have been prudent, in part because of pressure from the government. Mr. Chung, who had been convicted of bribery twice, apparently regarded his payments to politicians and bankers as so important that he questioned by prosecutors but not arrested, held the rank of managing director of Hanbo.

Opposition parties say that in South Korea, the president has such strong control of the government that Mr. Kim must have known what was going on. The president's son is planning to sue two opposition politicians for libel, which will mean he will be subject to questioning by prosecutors.

Other critics say it is bad enough that Mr. Kim's aides took money.



Governor Chris Patten, left, and Malcolm Rifkind assessing Hong Kong's future Sunday.

Rifkind, Visiting Hong Kong, Won't 'Hide' Disagreement

By Keith B. Richburg
Washington Post Service

HONG KONG — Making what could be his last visit here before China assumes control over Hong Kong, Malcolm Rifkind, the British foreign secretary, has conceded that London and Beijing remain far apart on questions about Hong Kong's future freedoms and human rights, as well as the need for an appointed interim legislature.

But Mr. Rifkind, who arrived here late Saturday and held a whirlwind day of meetings Sunday, also held out hope that China's appointed chief executive for the territory, the shipping tycoon Tung Chee-hwa, might be persuaded to soften Beijing's plan to curtail certain Hong Kong civil liberties after he holds consultations with local residents.

"I don't hide from you the disagreement," Mr. Rifkind said, citing Beijing's appointment of an "interim" legislature to replace the current, democratically elected body, and also China's plans to roll back or modify the local Bill of Rights and other basic freedoms, such as the right to demonstrate peacefully.

The disagreements, he said, "are a serious impediment to the kind of smooth transition we would wish."

Mr. Tung has promised to hold a series of consultations to try to defuse some of the public furor over the civil liberties moves, which have emerged as the first serious crisis for the incoming chief executive.

The proposed changes, already endorsed by Beijing's Communist leadership, have sparked strong international condemnation, and given Mr. Tung an unwelcome distraction as he tries to assemble his governing team and reassure the world that Hong Kong's transition to China on June 30 is proceeding smoothly.

Mr. Tung in the last weeks has adamantly defended the changes, calling them "technical" on one hand, but also declaring that Hong Kong citizens needed to balance their individual rights and freedoms with the need for "stability" and social order.

But after meeting with Mr. Rifkind on Sunday, Mr. Tung seemed to suggest a slightly softer line.

"I will listen to consultations," he said. "On the other hand, I have a set of values."

The Briton later said that he hoped Mr. Tung "will respond to these consultations."

Although not predicting that he would openly defy Beijing and stop the civil liberties changes, Mr. Rifkind said he hoped the new chief executive might "at least make the damage that would be done less substantial than it otherwise might be."

But China gave little indication that it was willing to back down from the proposed changes in the civil liberties laws.

Zhang Junsheng, a senior official of the Xinhua news agency, which acts as Beijing's de facto embassy in Hong Kong, was seen on local television late Sunday saying, in Chinese: "The human rights issue is closed. Mr. Rifkind is Britain's foreign secretary. So why does he still not understand this?"

"He can say anything he likes," the head of the legislature appointed under Beijing's auspices, Rita Fan, said of Mr. Rifkind. "But the fact is that it is none of his business."

Members of the United Democrats also were sharply critical of Mr. Rifkind's visit, saying London was still out doing enough to protect Hong Kong's interests in these final nineteen weeks before the handover to China.

"We don't have any high hopes of Britain or other countries helping us," said a party leader, Szeto Wah.

KOREAN: Seoul Goes on Alert Amid Manhunt for Defector's Assassins

Continued from Page 1

Chung Hwa called the shooting "an assassination attempt by North Korean infiltrators."

Prime Minister Lee Soo Sung said the attack was retaliation for the defection last week of Hwang Jang Yop, a high-ranking North Korean official who taught Communist ideology to Kim Jong Il.

Another official who deals with North Korean issues said the attack might have been meant as a "warning" to Mr. Hwang, who is stranded in the South Korean diplomatic mission in Beijing.

"It is saying, 'You can meet a similar fate if you go to Seoul,'" said the official.

South Korean officials are trying to persuade China to let Mr. Hwang go to South Korea. But Beijing, which tries to remain friendly with both Koreas, so far has not indicated what it will do.

Chinese policemen, armed with assault rifles and a water cannon, have cordoned off the area around the South Korean offices, putting spiked wire across the roads to puncture the tires of any vehicle that came too close. North Koreans are keeping a close watch on the building from behind the cordon.

The defection of Mr. Hwang, as well as the widespread starvation in North Korea, apparently dampened celebrations in Pyongyang of Kim Jong Il's birthday, a major national holiday.

The official North Korean newspaper lionized Mr. Kim, who turned 55, as a god, but the festivities seemed limited to a gymnastics exhibition by thousands of children, according to agencies that monitor North Korean media.

South Korean ministers, in their emergency meeting, decided to order extra police protection for prominent defectors and high government officials and for South Korean

embassies abroad. Roadblocks were set up around Seoul to search cars for the gunmen. Troops stepped up their patrol of the North Korean border and the coastline. U.S. military bases also became more vigilant in checking visitors' identification and unoccupied buildings, according to Jim Coles, a spokesman for U.S. Forces Korea.

Policemen and military officials had already stepped up security against terrorist acts after Mr. Hwang's defection Wednesday.

Mr. Lee himself had been worried about an attack and had therefore been living in a friend's apartment since late last year, reports said Sunday. But he was apparently not under police protection.

One report, which could not be confirmed immediately, quoted a national security official as saying 77 prominent defectors were under protection but that Mr. Lee had not wanted it.

South Korean officials said defectors were protected when they first come to South Korea, often for a period of a year or two while they are interrogated and trained to live in a capitalist society. There are about 600 defectors in South Korea, one official said, and the number of people escaping North Korea, while still a trickle, has increased as starvation intensifies.

Several factors point to North Korea's involvement in the shooting, authorities said, including a witness's report that Mr. Lee, after being shot, had said, "Spy, spy," before losing consciousness.

The police found two shells from a Belgian-made Browning pistol, a weapon they say is often used by North Korean agents. Shootings are rare here because people are not allowed to own guns.

Also, North Korea had publicly vowed to take countermeasures for what it said was the kidnapping of Mr. Hwang. Pyongyang had already vowed retaliation

after South Korean troops killed almost all of a team of North Koreans who came ashore from a grounded submarine in September. Shortly afterward, a South Korean diplomat in Vladivostok, Russia, was murdered.

Authorities say there may be thousands of North Korean agents in South Korea. They can come by submarine or by passing through a third country en route to South Korea.

Still, investigators could not totally discount that someone else might have tried to kill Mr. Lee, who had racked up huge debts and had a somewhat checkered past.

A Foreign Ministry official, meanwhile, said he hoped that progress toward better relations on the peninsula would continue but that such improvement might not be possible if the South Korean public's attitude to North Korea hardened.

"We are exerting our utmost caution not to let it affect other things," he said. "But we have to pay attention to public opinion."

The first spillover might be the delay of a survey of the site for the construction of two nuclear plants that are to be provided to North Korea by South Korea, Japan, the United States and other countries in exchange for Pyongyang's giving up its suspected nuclear weapons program.

The survey team of 26 South Koreans, an American and a Japanese is to leave for North Korea this week. But Seoul might delay the trip, the Foreign Ministry official said, because of fears the South Koreans could be held hostage.

North Korea has also agreed to attend a briefing on a proposal by Seoul and Washington for peace talks. But Pyongyang has already twice postponed the meeting as it first tries to arrange for the shipment of 500,000 tons of grain by the U.S. agribusiness giant Cargill.

Taleban Forces Nearing Breakthrough to North

Afghan Coalition Remains Fragmented

By John F. Burns
New York Times Service

SALANG PASS, Afghanistan — After being stalled for months on the plateau north of Kabul, the forces of the militantly Islamic Taleban movement are once more on the march across Afghanistan. Their objective this time is a breakthrough into northern flatlands beyond the peaks of the Hindu Kush mountains.

With the white flags that symbolize their brand of Islam fluttering from their tanks, the Taleban have broken the impasse that settled in after they captured Kabul, the capital, in September. Now they are close to a gateway through the mountains that would open the northern plains to their advance.

The challenges ahead are formidable, including a 12,500-foot mountain pass and a precipitous gorge that have been obstacles for armies crossing the Hindu Kush for at least 2,000 years. But the prize is great, too, since a breakthrough to the north would put the Taleban, who already control 21 of Afghanistan's 32 provinces, in a position to fight for the remaining 11.

The situation has put new strains on the coalition known as the Northern Alliance, which was hurriedly formed in October, when the Taleban's last big offensive carried them on a rapid conquest of eastern Afghanistan, culminating in their seizure of Kabul. Three disparate fighting groups opposed to the Taleban met urgently in a small town on the northern slopes of the Hindu Kush.

But the pact they signed has been undermined by personal, political and tribal enmities. The three partners — Ahmed Shah Masoud, leading the Tajiks; Abdul Rashid Dostum, a former Communist who leads the Uzbek minority; and Abdul Karim Khalili, leader of the Hazara people — have not pooled their forces. This has played into the hands of the Taleban, whose units, mainly from the outcast's largest ethnic group, the Pashtuns, have been increasingly effective in battle.

The commanders in northern Afghanistan, reeling from setbacks sustained in a Taleban offensive that began in mid-January, have been trying to steady their troops. Although the Taleban have paused while emissaries try to persuade front-line units of the northern armies to switch sides, many Afghans believe the Taleban could be fighting on the northern side of the mountains in a few weeks.

Some northern commanders have started evacuating their families and packing their household belongings. Others have said they will fight. Mr. Masoud told his commanders last week that they should prepare for the most difficult period in nearly 20 years of war.

"I told them, 'If you stay with me, consider yourselves to be as good as dead,'" Mr. Masoud told visitors to his stronghold in the Panjshir Valley.

"The commanders talked it over with their families. Then they all came back," he added.

A new test seems likely soon, since the weakest alliance partner, Mr.

Khalili, controls the 12,500-foot Shibar Pass, which stands immediately in the Taleban's path. The route they are following, a 150-mile (240-kilometer) loop through the mountains, was forced on them when one of Mr. Masoud's commanders halted their advance in January by blasting a key bridge on the main north-south route.

From front-line positions barely five miles east of the pass, Taleban commanders have opened talks with Mr. Khalili, urging him not to fight. If he agrees, the Taleban could sweep forward rapidly. Beyond the pass, a local leader with nominal loyalties to Mr. Masoud, and with forces controlling a gorge along the Bamian River, has told reporters that he will "run up the white flag."

The 5 million Afghans who live in the northern provinces, out of a population of perhaps 16 million, enjoy freedoms that have been extinguished by the Taleban.

In contrast to restrictions on women in Kabul and other cities under Taleban control, in the north women can work and dress as they please. Girls' schools remain open, and the attendance at mosques is voluntary. Alcohol, although officially proscribed, is freely available.

But alliance forces have been weakened by corruption and plunging morale. And there has been little sign of support from Russia and the Muslim countries on Afghanistan's northern border, formerly part of the Soviet Union, which met in October and branded the Taleban a threat to their own security.

What assistance there has been has gone to Mr. Dostum, commander of the alliance's most powerful military force. But even this appears to have been minimal.

"We have had no military support, because we don't need it," said Mohammed Yusuf, a Dostum aide. His forces retain large numbers of Soviet-made tanks and artillery pieces, as well as an aging squadron of jet fighters and attack helicopters.

Mr. Dostum has concentrated most of his firepower around his northern headquarters, leaving more vulnerable areas to the south to fend for themselves.

But military strategies are not the only problem. Popular feeling, too, has shifted against the northern leaders. In northern towns and villages all the way to the Hindu Kush, people in bazaars and alleys lower their voices when asked about the Taleban. Then, many say they would welcome the Islamic militants. "Under the white flag, we will have peace," they say.

These people say the northern troops, especially Mr. Dostum's, have hoarded food and raided local markets to take grain to sell in the Muslim states to the north, which are short of food themselves as a result of poor harvests. By dumping carloads of Afghan currency into curbside exchange markets to buy up American dollars, Mr. Dostum's commanders have also worsened an inflationary spiral that has caused many to go hungry.

BRIEFLY

U.S. Orders 2 Aides From India to Leave

WASHINGTON — The United States has ordered the expulsion of two diplomats from India in retaliation for the expulsion of two American officials from New Delhi last month, a State Department spokesman said Sunday.

The spokesman, Glyn Davies, said the Indian diplomats were stationed in the San Francisco and Chicago consulates and were ordered on Feb. 10 to leave the country for "activities that were incompatible with their consular status."

The spokesman confirmed that the orders were in retaliation for the expulsion of two Americans last month from New Delhi. No further details were available.

One of the U.S. diplomats asked to leave India was reported to be the station chief of the CIA in New Delhi. The Press Trust of India said he reportedly had "unauthorized" links with a man called Rattan Sehgal, identified as a director in charge of the anti-espionage division of India's Intelligence Bureau. (Reuters)

Deng Reported Ill

BEIJING — Newspaper reports here say the health of China's paramount leader, Deng Xiaoping, is failing. Officials say there is little change and he is all right for a man of 92.

Hong Kong's Apple Daily reported over the weekend that Mr. Deng had been rushed to the hospital on Thursday after a massive stroke that followed an earlier, mild stroke.

"I think, for someone of that advanced age, the state of his health should be described as all right," said a Foreign Ministry spokesman at a meeting of European and Asian ministers in Singapore. (Reuters)

Cambodians Held

SIEM REAP, Cambodia — Hard-line Khmer Rouge guerrillas held government negotiators on Sunday after pretending they wanted to talk peace, senior officials said. "Everything is going well; we are

still negotiating," said the regional military commander, General Khan Savoeun.

His deputy, Nuon Vana, said 15 people were missing, including the Siem Reap deputy governor, Hem Bunheng; General Phoung Bumphoun of the Defense Ministry; and a divisional commander, Colonel Sochan Hang.

They were on board a helicopter that left on Friday for a rendezvous with the rebels, after a hard-line leader, Ta Mok, said he wanted to talk about defecting, an officer at Siem Reap air base said. (Reuters)

22 Killed in India

NEW DELHI — The eastern Indian state of Tripura ordered the police to shoot tribal guerrillas on sight Sunday and deployed the army after the massacre of 22 people, officials said.

Home Minister Samar Chowdhury said special powers had been given to police and army officers deployed after tribal guerrillas shot and killed 22 people in three Tripura villages, the second massacre in four days.

United News of India said 22 people were killed and a "large number" of others were wounded in the three raids Sunday in Tripura's western Khowai region. (AFP)

Bhutto Conciliatory

ISLAMABAD, Pakistan — The ousted prime minister, Benazir Bhutto, sounded a conciliatory note on Sunday as she allowed her victorious opponents to choose a new National Assembly speaker unopposed.

The 217-seat assembly, dominated by Nawaz Sharif's Pakistan Muslim League, settled on a PML nominee, Ishaq Bux Soomro, a veteran politician and former minister.

The departing speaker, Yousaf Raza Gilani, said Mr. Soomro had been chosen without a vote because the nominee of Mrs. Bhutto's Pakistan People's Party, Khurshid Shah, had withdrawn.

Mr. Sharif publicly thanked Mrs. Bhutto for withdrawing her party's nominations for speaker and deputy speaker. (Reuters)

State Dept. Report Backs Thais on Illicit Logging

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Seeking to preserve good relations with an important Asian ally, the State Department has notified Congress that Thailand has effectively sealed its border with Cambodia and shut down clandestine logging traffic that has denuded Cambodian forests.

The report was surprisingly unequivocal, considering numerous accounts from environmental groups and journalists that illicit timber exports continue from Cambodia to Thailand, and that senior officials of both governments profit from them.

One congressional aide said it would be "a miracle" if the report were accurate. The State Department based its conclusion on a tour of the border last

month, and critics said it would be easy for the traffic to resume once the inspection was complete.

By law, the Clinton administration would have been required to cut off most aid to Thailand, and all aid to the Thai military, if it found that Thailand continued to tolerate or encourage commerce that aided Cambodia's communist Khmer Rouge rebels.

U.S. aid to Thailand is modest — about \$4.6 million this year — but a cutoff would have disrupted relations with an important economic and political partner in Southeast Asia.

So the State Department submitted a report required by the 1997 Foreign Aid appropriations act telling Congress that the Cambodian government banned timber exports as of Dec. 31 and that "the Thai military has made a concerted effort

to enforce the complete ban."

The logging provision was added to the foreign-aid law in a bid to cut off a major source of funds for the Khmer Rouge who, until last year, controlled the border areas inside Cambodia and used the logging revenue to fund operations.

The issue of Thailand's complicity with the Khmer Rouge has long clouded U.S.-Thai relations. Thai contacts with the rebel group began in the late 1970s, when an invading Vietnamese force drove the Khmer Rouge from power in Phnom Penh and forced them to regroup in remote areas along the Thai border. The Thais, like some American officials, feared and opposed the Vietnamese more than they feared the Khmer Rouge.

But with the Vietnamese withdrawal from Cambodia and the carrying out of a 1993 U.N.-sponsored political settle-

ment, the logging traffic evolved into an issue of corruption, not policy. The Cambodian government officials who made it possible by issuing phony export certificates were financing their most ruthless enemy; the Thais who profited from it were dealing with a rebel group reviled throughout Asia for its brutality.

After major Khmer Rouge units defected and joined the Cambodian government last year, the cross-border traffic was by definition no longer supporting the Khmer Rouge, so opponents shifted their focus to the logging traffic's impact on Cambodia's environment and its effect on government revenue.

The International Monetary Fund held up a \$20 million loan installment to Cambodia last year because the logging exports deprived the government of needed revenue.

22 فبراير 1997

EUROPE

Home Rule for Scotland
Again Moves to the ForeBy Barry James
International Herald Tribune

Once a subject only for romantics and dreamers, home rule for Scotland has again emerged as a serious issue on the British political agenda as the nation prepares for general elections that must be held by May 22.

The Labour Party's electoral manifesto promises as one of its first legislative actions to allow Scottish voters a referendum in which they will be asked whether they want their own Parliament and whether they want it to have tax-raising powers.

Since Labour is riding high in pre-election polls, Scottish commentators are getting excited about the home-rule issue, even though it attracts relatively little interest south of the border. The governing Conservative Party is hostile to the idea of self-government for Scotland but reluctant to say so openly for fear of alienating Scottish voters.

Stephen Dorrell, the secretary of state for health, said recently that if a Scottish Parliament ever came to pass, a future Conservative government would abolish it.

Mr. Dorrell, who is sometimes described in Tory circles as a possible heir to the party leadership, was mildly rebuked by Prime Minister John Major. He removed Mr. Dorrell's responsibility as spokesman for constitutional matters, a hat that most people were unaware he wore in the first place.

Did the health secretary commit a gaffe, or was he sending a message to Conservative followers? "That's the question we are all asking," said Andrew Wilson, a spokesman for the Scottish National Party, which seeks an outright break with England. "It seems hard to believe that a politician of that caliber would make such a gaffe."

The Scottish National Party's leader, Alex Salmond, said Mr. Dorrell had shown that the Conservatives "are fundamentally an anti-Scottish party."

Many Scots take Labour's pledge, like their porridge, with a pinch of salt. Many Labour legislators are no more willing to interfere with the 290-year-old union between England and Scotland than their Conservative colleagues.

Nevertheless, the Labour party has long been promising "devolution" of powers to Scotland, and it held a referendum on the subject 18 years ago. Devolution is the name given to a diluted form of home rule that would allow Scotland to conduct regional affairs through its own Parliament, but maintain economic, political and defense ties with England. Although slightly more people voted for devolution in 1979 than against, the referendum was declared invalid because less than 40 percent of the electorate participated.

Circumstances have changed since then. In the 1992 general election, three quarters of Scottish voters voted for parties pledged to constitutional change. Although the Conservatives have only 11 of the 72 Scottish seats in

the House of Commons, their political predominance in England and Wales has enabled them to block any attempt at home rule. Indeed, there have been 34 failed bills calling for home rule for Scotland in the past 100 years.

"We are totally unhappy with the democratic deficit," said Mairi Stenhouse, 21, a law student at Edinburgh University who works for an ad hoc organization called Democracy for Scotland. At present, she said, unless voters in England and Wales vote for what the Scottish want "we are never going to get a proper say. That's our main gripe."

Ever since the 1992 election, Democracy for Scotland has handed out political and civic information from a trailer parked outside the Edinburgh building of the Scottish Office. "Some of the people who come here want total independence and some want devolution," Ms. Stenhouse said. "The common point is that they feel they are getting a raw deal."

Another factor that has changed since 1979 is the spreading realization that Scotland does not have to be dependent on Westminster, but like many European regions can find its own place within the European Union.

"In 1979, it was the United Kingdom or nothing," said Alan Miller, secretary of Common Cause, a civic forum on Scotland's future. Today, he said, Scotland has Europe as an alternative. It does not share England's skepticism and foot-dragging on Europe.

Mr. Miller said this could become a critical issue if in a future referendum on the adoption of a European single currency the English voted against and the Scottish for. Then the Scottish National Party "would become pivotal, and their line on independence in Europe could become much more important than at present."

No matter what the election result nationally, the Labour Party is likely to walk away with the bulk of the 72 Scottish seats in the House of Commons. Polls show Labour solidly in the lead with almost 50 percent of the vote, the Scottish Nationalists second with 25 percent and the Conservatives in the rear with 15 percent.

But in the event of a national victory, the Labour Party's standing in the House of Commons is likely to be much more tenuous — so much so, say some commentators, that the party may not be able to follow through on its devolution promise.

"A significant number of Labour backbenchers are adamantly opposed to monetary union and the creeping federalism which 'New Labour' seems to endorse," said Madsen Pirie, president of the Adam Smith Institute, in a recent essay published in Scotland on Sunday. "A small majority in Parliament would give them immense power to amend, to deter, to delay and to wreck. Tempers would flare, rebellions would break out, and any divisive legislation would tend to head for the back burner, as it did for Labour's opponents."



BATTLE OF BERLIN — Riot policemen leading off a youth after weekend clashes between leftists and rightists in Berlin. A total of 104 people were arrested.

Angry Face-Off in French City
Anti-Racists Demonstrate as Far Right Takes Office

The Associated Press

VITROLLES, France — Hundreds of anti-racist demonstrators faced off with National Front supporters outside the city hall here on Sunday while a National Front mayor took office in the fourth French city won by the far-right party.

With the southern cities of Toulouse, Marseilles and Orange, the Front took control of this small town outside Marseille after last week's runoff, whose issues were immigration, corruption and high unemployment.

Catherine Megret, whose only political base was that of her husband, Bruno Megret, the Front's No. 2 leader, took 30 of 39 votes in a Municipal Council meeting Sunday under heavy police security.

The council met while about 300 members of Ras le Front (Fed up with the Front), most of them black and North African youths from immigrant families living around Vitrolles, assembled outside.

"Resistance!" they chanted. "Fascism won't pass!"

A group of about 100 Front supporters of all ages traded insults with the protesters and bowed the outgoing Socialist mayor, Jean-Jacques Anglade, as he entered city hall.

Mrs. Megret called for calm but sent a

message to vandals who burned several cars after the election. "The quarrels and the clashes must end and we must unite our forces to bring back security, calm and prosperity to Vitrolles," she said, promising to present her plans within a month.

Mrs. Megret said the city would bring charges against those arrested for vandalism. "The rowdies who don't respect the verdict of the ballot box will have to respect that of the courts," she said.

Meanwhile, more than 400 French actors and actresses added their names to a growing civil disobedience movement against the conservative government's proposal to tighten immigration laws. Opponents see the law as appealing National Front supporters.

In a statement published in Sunday's Le Journal de Dimanche, Catherine Deneuve, Carole Bouquet, Jeanne Moreau, Michel Piccoli and Chiara Mastroianni were among those urging "our fellow citizens to disobey so not to submit to inhumane laws."

Prime Minister Alain Juppe on Saturday said he would stick to plans to have the National Assembly consider the law on Feb. 25 and 26. The legislation would require people to officially declare the departure of foreigners who stayed with them.

BRIEFLY

Tories Face Test on Cow Disease

LONDON — Britain's Conservative government will face a tough day in Parliament on Monday, when the house votes on a motion of no confidence in Agriculture Minister Douglas Hogg over his handling of the crisis over bovine spongiform encephalopathy, or "mad cow" disease.

If it loses, the government could face an immediate overall vote of no confidence. If this, too, were successful, Prime Minister John Major would be forced to dissolve Parliament and call a general election immediately. Mr. Major currently has until May 1 to call the election, which according to the latest opinion polls would be won comfortably by the opposition Labour Party.

The vote will be tough for the Conservatives, who no longer have a majority in the House of Commons. Its outcome will effectively be decided by the nine MPs from the Ulster Unionist Party. They have traditionally voted with the Conservatives, but the mad cow issue is a sensitive one for them, and they may choose to shift allegiance. (AFP)

Swiss Minister Assails D'Amato

GENEVA — Flavio Cotti, the Swiss foreign minister, denounced Senator Alfonse D'Amato, Republican of New York, Sunday for a spate of verbal attacks against his country, whose banks have been accused of plundering Jewish assets during World War II.

"D'Amato is not Switzerland's judge," Mr. Cotti said in an interview with the weekly *SonntagsBlick* published Sunday. Although he could understand the U.S. senator's interest in the fate of Jewish assets left in Swiss accounts, he said, "the way he presents us and his lack of trust in Switzerland's goodwill are unacceptable." (AFP)

Albanians Continue Protests

VLORE, Albania — A new demonstration by 3,000 Vlore residents took over the main street in this southern port Sunday morning, continuing a campaign of ardent anti-government sentiment.

Gathering, as they have daily since Jan. 6, in front of the police station, the protesters called for help from intellectuals and the resignation of President Sali Berisha's administration, which they blame for the collapse of high-risk investment schemes. The protesters dispersed without incident at midday. (AFP)

The EU This Week:

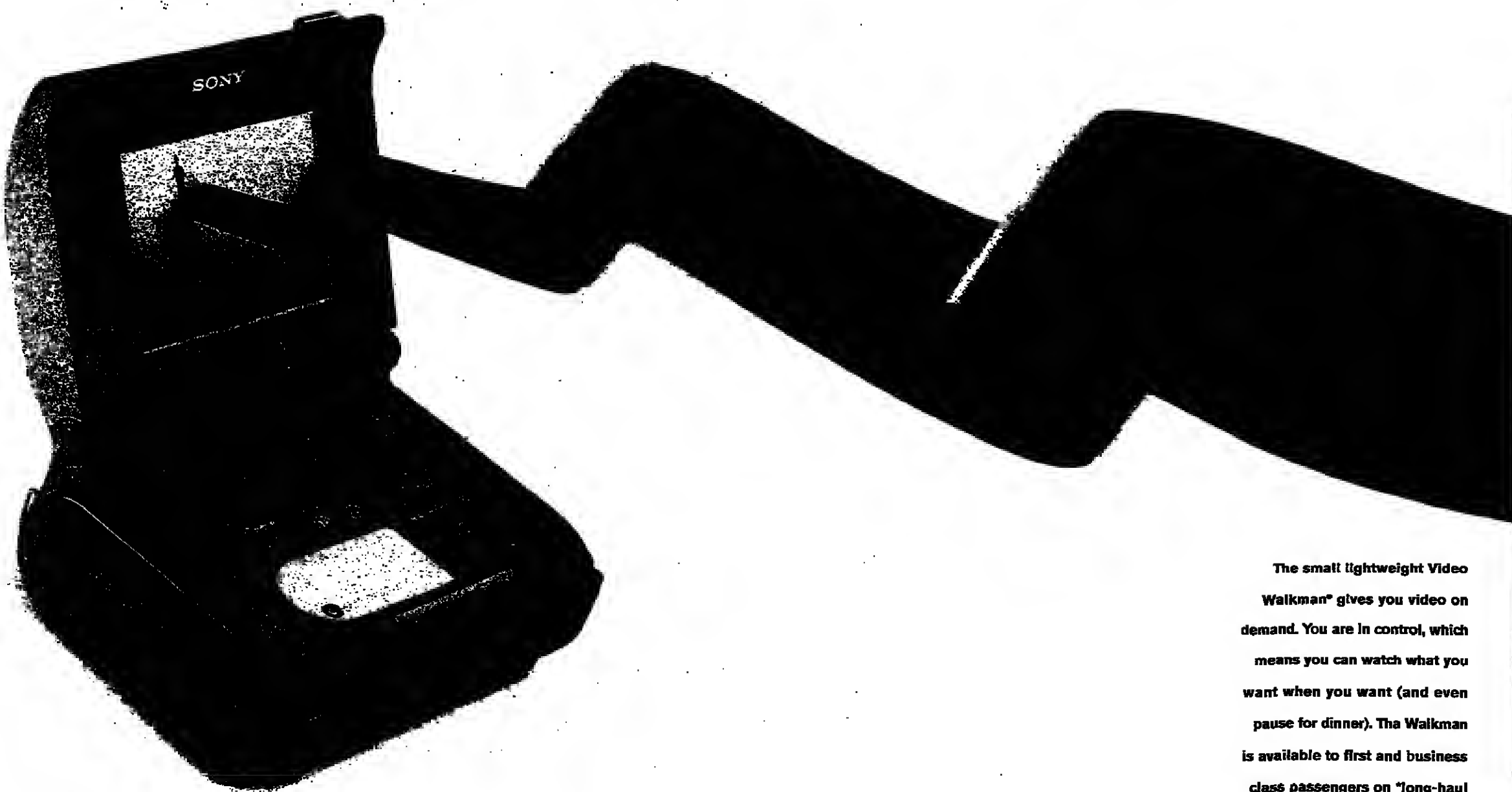
Significant events in the European Union this week:

• Madeleine Albright, U.S. secretary of state, meets in Brussels on Tuesday with Jacques Santer, president of the European Commission. Trade Commissioner Sir Leon Brittan and other commissioners for talks to resolve the U.S.-EU trade dispute over the Helms-Burton Act and for talks on EU enlargement.

• The European Parliament on Tuesday will debate a report that criticized the European Commission and the British government for their handling of the "mad cow" crisis, and on Thursday votes on a proposal to censure the commission.

The censure motion, which would require the resignation of the 20-member EU executive body, is expected to fall short of the two-thirds vote required. (IHT)

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INTERNATIONAL

Lull in Zaire's War Betrays Weakness on Both Sides

By James Rupert
Washington Post Service

KINSHASA, Zaire — The startling four-month offensive by fighters who have swept across eastern Zaire has slowed in recent days, underscoring what analysts here say is weakness and disorganization on both sides of a murky, chaotic war.

By early this month, Zairian rebels, reportedly joined by troops from Rwanda and Uganda, had transformed their local rebellion into a serious threat to Zaire's government and perhaps to its existence as a state.

The war has forced a massive population out of towns and villages to seek safety in dense jungle, going without shelter and eating whatever they can. The fighting has displaced "maybe 30 percent" of the 3 million to 4 million Zairians in the combat zone, said Hubert Edongo, the chief Central Africa representative of the UN refugee agency. It also has uprooted another 450,000 refugees from Rwanda and Burundi who have been sheltering in Zaire, the agency has said.

The fighting has raised international alarm that sub-Saharan Africa's second-largest country could disintegrate in a civil war that would be disastrous for the nine poor or unstable countries around it. The United States and France warned Uganda and Rwanda this month to stop backing the rebellion. But Western diplomats in Zaire said the U.S. government was not prepared to apply pressure to

force them to comply. Uganda and Rwanda deny they are supporting the rebels.

Since Feb. 5, there have been no reports of significant advances by the rebels toward their main targets — the southern mining center of Lubumbashi and the military and commercial hub of northern Zaire, Kisangani. Both sides say the rebels last week took the far northern town of Isiro and another locale near the Sudanese border.

Meanwhile, the government of President Mobutu Sese Seko has failed to mount the counteroffensive it announced on Jan. 20. A Defense Ministry spokesman conceded that the army needed more time to prepare for major operations.

Analysts said it was uncertain what had stalled the rebels, or how long the lull might last, but some said the slowdown in fighting may reflect deep weaknesses on both sides. Neither side has been seriously tested in combat. As the rebels have advanced, the government soldiers have tended to flee without fighting. Western diplomats in Zaire, who spoke on condition of anonymity, said the war's outcome may be decided not by which side defeats the other, but by which collapses from internal problems.

Marshal Mobutu's 35 years of corrupt rule have left Zaire unable to maintain roads, a telephone system or other infrastructure. And, as dictators often do, Marshal Mobutu "has kept the army weak to prevent it from threatening him," a senior Western diplomat said,

While Zaire officially declares it has more than 100,000 men in military and paramilitary services, only the presidential guard — which officials have numbered at 6,000 to 12,000 — is believed to be combat ready.

Zaire flew presidential guards to Kisangani along with what diplomats and media reports have estimated as 200 to 400 European mercenaries. For the first time since the start of the rebellion, government forces halted a rebel advance — this one toward Kisangani, in fighting this month southeast of Lubumbashi.

A Defense Ministry spokesman, Leon Kalima, acknowledged the presence of Serbian soldiers and East European pilots, whom journalists have reported encountering in Kisangani. "They are only there as trainers for our own soldiers, not to participate in combat," the spokesman said.

Western journalists have reported mercenaries leaving town for the front — and, in some cases, bodies of white Europeans being returned.

Zaire also is arming Hutu refugees from Rwanda who oppose the Tutsi of the anti-Mobutu alliance. On Friday, the UN secretary-general, Kofi Annan, condemned Zaire for distributing arms at the huge UN camp at Tingi-Tingi, outside Lubumbashi. United Nations aid workers have said that Zaire has forcibly loaded crates of guns onto UN planes that have been flying food from Kisangani to Tingi-Tingi.

Diplomats and news organizations also have reported what they call deep weaknesses

in the anti-Mobutu front. "There is a question of the rebels running out of steam," a senior Western diplomat said. "Their worst enemy is distance — the size of the country" — and the need to maintain long supply lines, he said. And while seizure of territory may lead recruits to the rebels' ranks, it gives them a larger population to manage.

The main Zairian rebel force, led by a longtime insurgent, Laurent Kabila, is a mix of dissatisfied groups, and there has been fighting among them.

There is also the question of how long Uganda and Rwanda can continue supporting the war, a diplomat said. Western embassies in Zaire asserted that the two countries were sending thousands of troops to fight alongside the rebels and were providing uniforms, weapons and transport. They also asserted that Burundi had offered training facilities. The government in Bujumbura denies doing so.

Several diplomats and aid workers said Uganda and Rwanda aimed to help the rebels seize eastern Zaire up to around the Zaire River.

"That's a logical frontier," a diplomat said. Uganda and Rwanda, the diplomat said, seek "a buffer zone to their west." Such an area would distance Rwanda from Hutu extremists who took part in the 1994 genocide and were launching cross-border attacks from Zairian refugee camps. Uganda also faces rebellions along its border with Zaire and would like a pliant neighbor.



Zairians cheering for the rebel chief, Laurent Kabila, at an anti-Mobutu protest in Kinshasa. About 100 people rallied Saturday despite a ban on demonstrations.

Hutu Militants Dim Hopes for Peace in Rwanda

By James C. McKinley Jr.
New York Times Service

KIGALI, Rwanda — The young trader knew something was odd about the military checkpoint when the soldiers asked the passengers of four minivans to get out and sit on the grass. The seven guards were shabbily dressed, but they carried automatic weapons.

"I started to get worried because some were in uniform and others were in civilian clothes," the trader, Gakunzi Rukimisha, 27, said from his hospital bed in Kigali. "This wasn't the military police we are used to."

A few minutes later, the band of Hutu guerrillas posing as government soldiers took the passengers' wallets, he said. Then they ordered the passengers to separate themselves — Hutu to the right, Tutsi to the left.

Without explanation, their commander gave an order, and the men opened fire on the Tutsi. Mr. Rukimisha said. At least seven adults and one infant fell dead in the first onslaught of lead. Mr. Rukimisha ran for his life along with dozens of others and was wounded in the buttocks.

Three more people died later of their wounds.

The attack on Sunday, in daylight on a major highway, was one of the latest atrocities in a two-month-old wave of killing by Hutu militants who have terrorized Tutsi and forced aid organizations to suspend operations in many places.

The wave of violence has also derailed hopes that this ethnically divided country would be able to knit itself back together anytime soon after the civil war and genocide in 1994, diplomats and aid workers say.

Those hopes were running high just three months ago, when more than 1 million Hutu refugees returned to Rwanda from camps in Zaire and Tanzania after two years in exile. At first, there were few violent incidents among the returnees, and it looked as if a reconciliation between the Hutu majority and the Tutsi minority was possible.

But returning with the flood of refugees were thousands of Hutu militia members and former soldiers who took part in the 1994 genocide against Tutsi and moderate Hutu, in which at least 500,000 people were slaughtered, Rwandan officials say.

The Rwandan Army did not try to screen the returning refugees in search of militia members, nor did it immediately separate soldiers from other refugees. The government was afraid that taking the time to sort out the fighters might have jammed the flow into Rwanda and created new refugee camps in Rwanda that might become permanent. As a result, some of these men disappeared into the countryside and swelled the ranks of the Hutu guerrillas, diplomats and government officials said.

"We are now paying for offering peace a chance," said Major Emmanuel Ndahiro, a spokesman for the Rwandan Defense Department. "We hoped they would take this open hand and re-

dress the past." Instead, the guerrillas have stepped up their offensive against the Tutsi-controlled government, diplomats and Rwandan officials said.

Although precise figures are difficult to pin down, scores of Tutsi who survived the genocide have been killed in massacres in the last two months, especially in the northwest of the country, historically a stronghold of Hutu politicians.

"There are a lot of people who came back and have nothing to lose," a European diplomat in Kigali said. "And they are willing to get involved in terrorist and suicidal attacks."

In response, government troops have taken increasingly repressive measures to stamp out the insurgents, killing dozens of unarmed civilians in the process.

More than 200 people are believed to have died in the tit-for-tat violence in January alone, United Nations officials say. About 5,000 people have been arrested since the return of the refugees, bringing to 90,000 the number of people jailed in connection with the genocide and the events that followed.

In the last three weeks, the guerrillas have shifted tactics, hitting aid workers and trying to terrorize travelers on the main roads. Their aim seems to be to drive foreign aid workers out of Rwanda and to send a message that government troops can no longer control the countryside, diplomats say.

To an extent, the guerrilla strategy is working. The attacks on foreigners have forced most charities here to curtail their operations severely. The United Nations and most aid organizations retreated to the capital last week after guerrillas killed and mutilated five UN employees who were investigating human rights abuses. The slayings came just a week after militants killed a Canadian missionary in a church and two weeks after guerrillas gunned down three Spanish aid workers in their compound.

Struggling to keep control of the northwest provinces, the Tutsi-led Rwandan Army has responded with similar viciousness in the last month, hitting communities where the guerrillas have attacked and then melted back into the local population, UN officials say.

In the capital, the mood is tense these days. Many Tutsi avoid traveling out of the city. Dozens of volunteers in aid agencies are packing up to go home. Other aid workers under contract say they will leave the country once their agreements expire. Rumors circulate every few days about an imminent guerrilla attack on whites in Kigali.

■ 3 Suspects Killed

Radio Rwanda said Sunday that three suspects in the slayings of the five UN human rights monitors have been killed in a clash with security forces. The Associated Press reported from Kigali.

One suspect survived the fight Friday and was arrested in connection with the Feb. 4 ambush in southwestern Rwanda against the monitors — a Briton, a Cambodian and three Rwandans.

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INTERNATIONAL

Clinton's Reluctant, but Easy, Decision

By James Bennet
New York Times Service

WASHINGTON — Because the economic reach of the pilots' union vastly exceeded its political grasp, President Bill Clinton was free to intervene almost instantly to keep the jets flying when the pilots struck American Airlines.

In making his decision, Mr. Clinton had to weigh the potential fury of tens of thousands of holiday travelers, the pleas of lawmakers from states like California and Florida, and the prospect of a blow to the economy costing up to \$200 million a day, against the wishes of 9,000 pilots who are mostly Republicans and are not even concentrated in one state.

Still, Mr. Clinton resisted making a final decision so long that his staff prepared remarks in the event he decided not to intervene. In part, he was worried about setting a precedent that would warp future airline bargaining, senior White House officials say.

But by late Friday night, aides said, he was convinced that a strike's economic impact would be too severe.

"Fine, I'll do that," Mr. Clinton finally said as midnight approached, when Bruce Lindsey, the deputy White House

counsel, called to recommend the intervention as the labor talks broke down, Mr. Lindsey said.

By signing the order to intervene, Mr. Clinton invoked his extraordinary powers under the 1926 Railway Labor Act, suspending the strike for up to 60 days while a newly convened emergency board develops a proposed agreement and the two sides consider it. The

NEWS ANALYSIS

last president to intervene this way in an airline strike was Lyndon Johnson, in 1966.

Mr. Clinton was given room to maneuver by his allies in organized labor. The AFL-CIO had recommended he not intervene, but the labor federation made no public fuss about it as the strike deadline loomed. And Saturday, the organization seemed to shrug off Mr. Clinton's decision, which undermined the pilots' bargaining position by snatching away, at least temporarily, their most powerful lever.

"We support the collective bargaining process," said Denise Mitchell, a spokeswoman for the AFL-CIO. "It seemed as if the process was moving

forward, but it had not yielded a contract at that point. There are a lot of workers involved, and a lot of consumers who would be affected, and we respect the decisions that were made."

Asked if union members would feel Mr. Clinton had violated a union principle by heading off a strike, Ms. Mitchell said, "I don't think you can express it that clearly. I think that people probably had points of view that were all over the map."

The Allied Pilots Association is not a member of the AFL-CIO. In fact, it is isolated even within the airline industry, representing only the pilots at American. In 1963, the American pilots split away from the Air Line Pilots Association, which is a member of the labor federation and still represents pilots at most major carriers.

Even the other unions at American were not lining up to support a strike by the pilots, who earn on average \$120,000 a year. In a strike, American had planned to put most of its 81,000 employees on leave.

While the American pilots may have had few political allies, they had enormous economic power — too much, Mr. Clinton decided, to permit a strike. Much

as a strike at one parts plant can close most of a car maker's assembly lines, the pilots had the power to ground American.

Still, White House officials said, Mr. Clinton would have much preferred not to have intervened because of his concern that intervention would change the nature of bargaining in the industry.

But, Mr. Lindsey said, "We thought some of the circumstances were unique, for example the timing of it coming over one of the busiest weekends" for airline travel.

The case for intervening was stiffened by a Department of Transportation study provided to the White House last Thursday. It showed the strike's effects rippling through the economy, punishing the tourism industry in South Florida and the Caribbean. And of the 220,000 passengers who normally fly every day on American, about 43,000 would not be accommodated by other airlines.

By intervening, the president may have merely delayed a strike. It would take an act of Congress to postpone it beyond the 60-day period he imposed. But he has done what he sought to avoid — inject himself into the negotiations, and perhaps subject himself to blame if they ultimately fail.



Captain Rich Rubin, an American Airlines pilot, reacting to the president's decision to stop the strike.

AIRLINE: Service Resuming After Clinton Acts to Stop Strike

Continued from Page 1

prevent the ability of workers to strike," he said. "But at the same time, there were legal grounds and economic grounds for doing this, as well as the travelers who would be stranded on a holiday weekend." Monday is Presidents Day, a federal holiday.

Other critics of the president's move said the 60-day cooling off period he ordered might only have postponed an inevitable confrontation between American, a unit of AMR Corp. and the Allied Pilots Association.

But many travelers breathed sighs of relief when they heard that Mr. Clinton had ordered the cooling-off period. The threatened strike caused short-term confusion for many airlines.

An agent for Continental at the Dallas-Fort Worth airport said the airline had a 60-percent on-show rate Saturday, after all its flights had been overbooked. Apparently, large numbers of people double-booked with other airlines but then flew with American when the strike was stopped.

At O'Hare International Airport in Chicago, officials had stockpiled cots

and blankets for stranded travelers, added workers to help book alternative travel plans and prepared a command center to oversee the operation.

Company officials tried to minimize the impact of the brief strike. "If it hurt us at all," said a spokesman, Al Comeaux, "it was less than a bad storm at one of our hubs."

A few international departures, to Europe, Japan and South America, were canceled Saturday. They were announced before the midnight Friday strike deadline because the company did not want to have planes stranded at foreign airports.

MARKET: Hedge-Fund Managers Look for the Party to Continue

Continued from Page 1

raise short-term interest rates.

"We see no reason for them to move and so assume they won't," he said. "Unlike most macroeconomists who have no experience in the world of business, Alan Greenspan does, and he understands that at the level of the corporation, there is neither wage pressure nor price pressure."

Mr. Druckenmiller said he believed corporate America would continue to hold the line on wage increases. "Companies today are constantly trying to drive down costs and increase efficiency. They are focused on increasing shareholder value and the value of stock options owned by company executives."

Beyond six months, Mr. Druckenmiller will not hazard a guess at the market's direction. He knows that the market has blown through many traditional valuation benchmarks and that one of these days, it will reverse course. But if the market

drops and economic fundamentals, as he sees them, remain intact, he said he would buy the dip.

"If it declines in response to a warning of cost-cutting discipline or if economic growth suddenly outstripped productive capacity, we would hope to already be out," he said.

Mr. Tisch acknowledged that speculators such as Mr. Druckenmiller may be able to get out of the way in time, but doubts the average investor can. "There is no way to predict the timing of the end of a bull market," Mr. Tisch said.

"As long as no one can give people the answer for what will precipitate a decline, they keep buying. They think someone will tell them when to get out and that they will all be able to on the day before the big drop. It makes me laugh."

Mr. Tisch sees disturbing historical parallels for this stock market. "If you look at charts of the last six months in the U.S. stock market, it rises at an ever-increasing rate in a parabolic curve," he said.

"We have seen that shape curve twice before, in the U.S. in 1929 and in Tokyo in 1989."

Mr. Tisch said it took the Dow Jones industrial average 25 years, until 1954, to match the 1929 peak. The Japanese market, meanwhile, stands today at about half its 1989 apex. "In my book, we are at the top," he said. "So adopting a buy-and-hold strategy is just an excuse for greed or laziness."

Many financial experts advise individuals not to try to time the market by jumping in and out, however, but to invest for the long haul.

The New York hedge-fund manager Michael Harkins agreed that this was no time for complacency, but said Mr. Tisch was being too gloomy. "This is not 1929 or Tokyo in 1989," said Mr. Harkins, a self-described "reformed short seller." Short sellers bet that stocks will go down.

"That the nation is in the grasp of a mania is obvious, but it should not obscure an even greater truth: Conditions have never been so bullish.

"Market historians point out that stocks have never sold at such scant value to dividends, book values, earnings and bond yields," Mr. Harkins added. "The unstated assumption is that the last hundred years will resemble the next 10."

They will not, he said, because "we are living in the golden age of capitalism." Mr. Harkins said he meant that the "death of communism" had profoundly increased the value of capital, which is to say stocks. And America is "the citadel of capitalism," he said.

"Capital is clearly worth more in a world where all people want to see is your money, not your social pedigree or college diploma. You don't make a lot of money by investing in bonds."

Despite his bullish stance — Mr. Harkins said he was fully invested — he worries that the government and society may fall out of love with financial markets. "As one friend says, this is a delightful party, but it's best to dance nearest to the door."

BRIEFLY

Police in Morocco Clash With Students

RABAT, Morocco — Police clashed with students trying to celebrate weekly prayers at a university in Casablanca, a newspaper reported Sunday, as the government sought to quell Muslim fundamentalist protests.

Several students were injured or arrested in the clash Friday, the opposition newspaper *l'Opinion* reported, without giving the numbers involved.

The police moved in to break up the group when it tried to conduct prayers at the School of Juridical and Economic Sciences at the University of Casablanca, the paper said.

There was no immediate comment from the government of King Hassan II, which has taken measures in recent weeks to crack down on growing protests and violence by Muslim fundamentalist students.

In trials in January, 32 students were convicted and sentenced to between three months and two years in prison, sparking new protests.

While the protesters have demanded better housing and transportation, the movement is seen as having a wider agenda. The students are seen as supporters of a banned Islamic group, *Adi Wal Ithassane*, or Justice and Goodwill. Abdelhamid Yassine, the group's leader and a former education official, has been under house arrest near Rabat since 1989 and the students are pressing for his release. (AP)

Army Puts Down Mutiny in Lesotho

MASERU, Lesotho — Army troops ended an 11-day police mutiny on Sunday, overwhelming the rebels with a dawn onslaught of heavy gunfire after which at least 30 officers surrendered to troops.

"Now everything is okay," an army major on the scene said. "It is over. They have all been taken." The major said there had been no casualties.

Two armored cars drove around the police headquarters, firing at the building with mounted machine guns amid calls over a loudspeaker to the rebels to come out.

A Western diplomat said that 33 police officers had surrendered, including a lieutenant who led the rebellion. The army major, who refused to give his name, said the mutineers were being held at an army base near Maseru.

The troops used heavy machine guns, automatic rifles and hand grenades in the attack. The rebels returned fire with semiautomatic rifles. Inter-

mittent gunfire was heard for three hours after an initial, heavy barrage that started at 6.30 A.M. and went on for 15 minutes. (Reuters)

Dolphin Deaths Laid To Drug Smugglers

MEXICO CITY — A chemical that drug traffickers use to mark ocean drop sites may be to blame for the mysterious deaths of dozens of dolphins and whales off Mexico's west coast, scientists said Friday.

Forty-two dolphins were found dead Friday on beaches near Culiacan on Mexico's northern Pacific coast. At least three dead whales were discovered in the same area in the last week.

Fishermen also are reporting sightings of schools of dead sardines floating in the Gulf of California.

Scientists say they are looking into a cyanide-based chemical used by drug traffickers as a possible explanation for the die-off, the largest reported in at least a year.

The phosphorescent chemical, known as NK-10, is used to guide low-flying aircraft to areas in the ocean where holes of drugs have been dumped from passing ships. (AP)

Find Sheds Light On Dinosaurs' Fate

WASHINGTON — The National Science Foundation on Sunday hailed new evidence of a large meteorite impact about 65 million years ago that may help shed light on what caused the extinction of the dinosaurs.

"This is the most significant discovery in geosciences in 20 years," said the foundation's assistant director for Geosciences, Robert Correll.

The evidence was found by an international team of scientists during a one-month research expedition in the Caribbean. The team returned Friday from the expedition. Sediment collected by the expedition provided a record of the meteorite's impact and the debris caused by it, Mr. Correll said.

He added that the meteoric event "may have triggered a serious decline in the globe's temperature and created a kind of 'nuclear winter' that drove dinosaurs and other species to extinction."

"Even more significant," Mr. Correll said, "is that the team's deep-sea sediment core shows the slow process of the Earth's long rejuvenation and recovery from this catastrophe."

The evidence was recovered by scientists on the Joides Resolution, the world's largest scientific research vessel, which is financed by 20 nations. (AFP)

PERU: Fears Grow for Health of Hostages

Continued from Page 1

depression; say doctors familiar with the hostages' medical conditions.

The Red Cross has stepped up its medical activities inside the compound in recent days. A team of medical specialists brought heart-monitoring equipment into the residence last week, and aid workers laid cables to restore electricity to the compound. The house had been without power since the government cut off basic services in the early days of the siege, which began Dec. 17.

Steve Anderson, a spokesman for the Red Cross, said the organization's policy was not to comment on the health of the hostages so as not to alarm relatives.

"What we can say is that there are no immediate emergency medical situations at this time," Mr. Anderson said. "But the longer the crisis continues, the worse off the hostages will become physically and mentally."

The last two hostages who were freed were let go for medical reasons. One of them, General Jose Rivas Rodriguez, a national police official, had to be carried out on a stretcher last month. The general's son, Javier, told local reporters here that while his father's health was improving, he still suffers from gastritis caused by the tension of captivity, and that he was depressed.

In a meeting with reporters, the Peruvian health minister, Marino Costa Bauer, said Friday that the overall health of the hostages was "good under the circumstances and that dangerous cases are controlled."

But he described the condition of a

former Supreme Court judge, Moises Pantoja, who suffers from severe arthritis, and Congressman Gilberto Siura, who has cancer, as "delicate."

While there have been no reports of torture, the psychological effect of being held for so long is starting to take its toll on the hostages, many of whom are said to be depressed and terrified at not knowing what will become of them.

"The fear and stress of the unknown is obviously exacerbating their medical conditions," said a doctor who is advising the hostage medical team and who spoke on condition of anonymity.

A hostage death from medical problems would cause serious problems for both the government, which would come under pressure to use military force to resolve the crisis, and the Tupac Amaru Revolutionary Movement rebels, who would be viewed as drawing the first blood in the conflict.

Conditions inside the residence have improved considerably since the beginning of the crisis, when more than 600 people were crowded into a house intended for a single diplomatic family.

Now the hostages receive three meals a day, mail, showers, counseling and clean laundry. Aid workers said that most hostages pass their days reading, playing games and sleeping.

"We have advised all the hostages that they should not wake up every day thinking that today's the day they will go free, because that will only contribute to their depression when it doesn't come true," said Mr. Anderson of the Red Cross. "We want them to be optimistic, but they have to face reality."

WAR: Conflict's Issues Have Long Fuses

Continued from Page 1

bassador to Washington, said the resurgence of war issues struck him too: "After the end of the Cold War, we find that Europe is still Europe. Europe got back to its historical roots — look at the ethnic problems in former Yugoslavia and elsewhere. In the old East, because of the dictatorships, there was no chance to learn to live together, so all these ethnic conflicts are breaking out again."

World War II, with all its horror and fascination, lit very long fuses of guilt and shame, said Mr. Haass, "and people and countries have only dealt with it slowly, reluctantly and not always honestly." So the truth comes out in dribs and drabs, he added. The same is true in Asia; Japan's own myths about its brutalities in World War II are only slowly unraveling.

There is also a generational factor, Mr. Perlmuter pointed out. The wartime generation was grateful to survive and true heroes were scarce, he said, so there was a lot to hide. Their children have been preoccupied with rebuilding and stability, and with achieving financial security. It is only the grandchildren who now have the time, the self-assurance

and the distance required to ask hard questions and resurrect buried shame.

"Government and private archives are opening," said Sweden's ambassador to Washington, Henrik Liljegen. "Psychologically, every nation has a need to go through its own actions and find its soul. But it takes some time before it is ready to do that."

The new self-searching will continue to bring forth difficult issues, even as the wartime generation dies off, said David Harris, executive director of the American Jewish Committee.

The newly opened East, for example, has produced troubling new paradoxes. In former Soviet republics, some people who worked with the Waffen SS are getting German pensions while their neighbors — Jews who survived ghettos and concentration camps — are not yet able to receive compensation from Germany, Mr. Harris said. The issue is already attracting congressional interest.

"We feel we're so modern with all our instant talk of the millennium and the 21st century and the bridges to this and that," said Mr. Burns. "But it's fascinating how World War II has come back to remind us of its power."

WTO: Economic Boom Seen in Accord to Tear Down Telecommunications Monopolies

Continued from Page 1

the United States, which essentially vetoed a much tamer agreement last April.

To a great extent, the agreement exports the regulatory principles that revolutionized the American long-distance market to the 1980s and are now being extended to unlock local telephone monopolies in the United States.

Consumers are likely to feel the biggest impact in Asia, Latin America and Africa. Most governments there have done little or nothing to reform heavy state-controlled monopolies, which provide shabby service at home and charge wildly inflated prices for competing international telephone calls.

The Institute for International Eco-

nomics, a policy research organization in Washington, has estimated that the new competition could produce a staggering \$1 trillion by 2010.

But the deal will also force the United States and Europe to follow through on opening up every segment of their markets to rivals: local and long-distance telephones, international service and wireless communications.

Additionally, through the World Trade Organization, the agreement would create a binding legal weapon for countries to enforce the principles of deregulation.

The most fiercely contested part of the accord allows a company based in one country to acquire a controlling stake in the telephone carrier of another country.

That is almost certain to intensify the

scramble among industry titans like AT&T, British Telecom and NTT of Japan to buy or build their way into world markets.

The agreement is not expected to have much effect on the proposed merger of BT and MCI Communications, America's second-largest long-distance company, because the United States and Britain were well on the way to a private pact easing restrictions.

But the accord could accelerate the competitive pressure to form "me too" alliances and mergers, perhaps linking major Asian, North American and European operators.

"We see this as a really defining event," said Gerald Taylor, chief executive of MCI. "It's not something that is measurable tomorrow, like a gun going off at a race. But what it is is a shift in

attitude toward embracing deregulation, open markets and competition."

Jeffrey Lang, the deputy U.S. trade representative who led the talks, said the pact marked a milestone in both international trade and the communications industry.

"The most remarkable aspect of it, which is truly an American idea," he said, "are the procompetitive regulatory principles. We knew from the very start that unless you could challenge the franchises of monopolies, you could never get real access."

The agreement installs a powerful new weapon to challenge countries that continue to shield their telephone companies, Mr. Lang said.

"The regulatory principles are enforceable just like a tariff agreement," he explained.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

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Korean Opportunity?

To the volatile Korean mix has been added the stunning defection of a senior North Korean official to the South Korean Embassy in Beijing. The immediate drama arises from China's being squeezed between its longtime ideological partner of North Korea, which demands the return of Hwang Jang Yop, and its new commercial partner of South Korea, which wants to remove him to Seoul. The deeper question is whether this incident may precipitate some sort of major political break in the famine-ridden Stalinist pariah state in the North.

It takes a considerable mental leap to imagine that Hwang Jang Yop has undergone a late-blooming crisis of faith in his country's socialist system. He is a veteran Communist Party intellectual and ideologist who could not have risen to a position of trust at the late Kim Il Sung's side without pleasing that vicious tyrant at every turn. But he has a certain ill-defined constituency including students, technologists and intellectuals, and he is the rare North Korean not only known but, within limits, possibly well regarded outside his country.

He walked into South Korea's embassy seeking asylum, he said, to promote "reconciliation and unification."

In a statement he decried North Korea's threats of a "sea of fire" and its "insane" boasts of socialist achievement while the country is starving. With evident irony he said that his former student in Marxism-Leninism, current North Korean leader Kim Jong Il, regarded himself as a "genius."

South Korea suggests that his defection hints at the possible disintegration of a regime unsure whether its hesitant approaches to the United States and South Korea should go forward or back. North Korea's record of violence and treachery makes it only prudent for the United States to take an attitude of vigilance and see what develops behind the iron curtain around Pyongyang.

At the same time, this high-level defection may open up to South Korea and the United States a novel opportunity to sharpen their reading of North Korea and its leadership. Mr. Hwang could become, as some of his Western acquaintances suggest, not just a source but also a possible interlocutor at a moment when the American-sponsored effort to buy North Korea out of the nuclear bomb business and draw it into a community with its neighbors is in another crucial phase.

—THE WASHINGTON POST.

Yes to Microcredit

Anyone who scoffs at the value of 62 cents should talk to Muhammad Yunus. In 1976, the Bangladeshi economist professor tried an experiment. From his pocket, he lent the equivalent of \$26 to a group of 42 workers. With that 62 cents per person, they bought the materials for a day's work weaving chairs or making pots. At the end of their first day as independent business owners, they sold their work and soon paid back the loan.

Thus began the microcredit movement, which has become the world's hot idea for reducing poverty. This month, microcredit's backers met in Washington to begin to broaden the program's reach and raise money from developed nations and institutions such as the World Bank.

Eight million people are now getting microcredit, half of them in Bangladesh. Microcredit proponents want to expand that to 100 million people by 2005. It is a worthy goal that the United States should support.

The first microcredit program was the Grameen Bank, founded by Mr. Yunus. Now almost all its borrowers are women, who tend to be poorer than men, have fewer opportunities and are much more likely to spend new earnings on their children. Grameen requires its borrowers to organize themselves into groups of five. All are cut off if one borrower defaults.

They meet every week to make loan payments at commercial interest rates and critique one another's business plans. They also pledge to boil their water, keep their families small and carry out other good health practices. People who repay small loans on time can take bigger ones. Grameen, which now makes a profit, claims a higher

repayment rate than traditional banks. One-third of its 2 million borrowers have crossed the poverty line, and another third are close.

Microcredit is at work in 43 countries. A version has reached 150,000 Americans in inner cities like those of Chicago and Washington. Borrowers can begin with a \$500 or \$1,000 loan, enough for gardening or hair-styling tools. President Bill Clinton said he will ask Congress for \$1 billion more over the next five years to develop micro-enterprises in the United States.

A no-hands-off, inexpensive program that builds business sounds so politically appealing in today's climate that it is worth recalling microcredit's limits. It cannot take the place of clean water, family planning efforts and child immunization programs. It can do little for the most desperate, those too sick or unskilled to work. It is also not free, as some of its political backers suggest. The most successful microcredit programs can fund their loans through interest and the savings they encourage borrowers to build. But most projects still rely on donations, and all are most helpful when they are backed by technical and marketing assistance programs, which cost money.

Still, microcredit has brought a much needed revolution in anti-poverty programs. It deserves more than its current 2 percent share of the world's \$60 billion development budget. Microcredit goes directly to poor people. It creates jobs in villages. It helps women develop confidence and independence. Microcredit can win new political backing for anti-poverty programs abroad that the poor still desperately need.

—THE NEW YORK TIMES.

The Story in Cuba

The talk about reopening American news bureaus in Communist Cuba has got out of hand. The White House and Congress are justifying a Clinton decision to let approved news organizations cover the news in Havana full-time — now that Havana has said "yes" to bureau coverage — as a way to blow the regime out of power. But this is not what a free press is supposed to do. It is supposed to be covering the news. It happens that "the story," as journalists put it, is an aging dictator's endgame, but that is different from enlisting the media in an operation against him. "The story" remains the struggle between the forces of the apparatus and the forces of society over the future of Cuba. It is a Cuban story, not an American one.

It is by a regrettable accident of history that the restoration of a full-time U.S. media presence in Cuba comes to take on a political cast — a double cast, since there are controls at both ends. At the Cuban end, the controls are normal to the operation of a totalitarian state, which treats the foreign press much the way it treats its own: as an aspect of state power. At the U.S. end, the controls arise from the economic embargo by which successive administrations have sought to punish and isolate the Havana regime.

This is how the American press, which prides itself on operating beyond the reach of political authorities, comes now to submit to a Cold War procedure requiring an official U.S. license. It is a distasteful requirement that implicitly tramples on the First Amendment. It is bad enough that the American media must pass a Cuban political checkpoint. They should not also have to go through the formalities of an American checkpoint — the Treasury Department is to determine, as a condition of granting a license, whether news gathering in Cuba is "unconditioned and unrestricted."

Fidel Castro has a reputation as a master media manipulator. His stroking of the Latin and American left is a classic tale. The American press, however, has its own experience in working in dictatorial circumstances, and the single news organization that Havana has so far authorized to set up a bureau, CNN, will be operating in full public view. It is interesting to speculate on whether Mr. Castro will reap one-sided advantage from full-time American media coverage. It will be more interesting to see on a regular basis how things are playing out in the Western Hemisphere's last police state.

—THE WASHINGTON POST.

Keep Speaking Up for Persecuted Christians

By A.M. Rosenthal

NEW YORK — Why are Communist and militant Islamic dictatorships persecuting Christians? Why are Western democracies reacting so passively, or not at all? What can be done to ease the repression?

Every government knows that Protestants and Catholics are persecuted in a score of countries. For trying to worship openly and as their religion teaches, Christians are arrested and tortured by the thousands — and many are killed.

Among countries with the most vicious records is the one that the West courts most lustfully, China. Also on the list are American "allies" — like Saudi Arabia, where U.S. troops helping the monarchy to survive, or American workers making it richer, cannot worship openly or display symbols of their religion.

Just this past week, Reuters reported that 1,000 Pakistani Christian families were driven from their homes by Muslim rioters — village looted and churches set afire.

But the obvious questions above are never answered by Western governments and persons of power — not asked. The bounds of Heaven pursue with the answers.

Dictatorships, for all their brutish swagger, are terrified by free thoughts and minds. These threaten the control without which dictators fear to govern. Free worship is an enemy.

Freedom of worship is proclaimed in international agreements on human rights. The West has eliminated the support of those rights as a foreign policy. The overriding policy, suffocating all others, now is trade.

Freedom is not a menu. Democracies cannot convince dictators that political persecution is permissible but that it will struggle against religious persecution — or the reverse.

Dictatorships do have a human rights policy. Act against any variety of our oppressions and we will punish you with loss of trade. The West answers forthrightly: Yes, master.

Much can be done to ease oppression, and not long ago was. During the Soviet empire, U.S. ambassadors and visiting officials regularly met in Moscow with dissidents. The oppressed knew, and so did the Kremlin, that they had a powerful ally.

Beijing has cowed Americans into fleeing from Christians and others it imprisoned for crimes of the mind. The United States, which denounced the Soviet gulag, now gives military honors to the killers of the Chinese gulag.

The new U.S. policy of betrayal of religious and political rights was shaped by companies doing business with the dictatorships. They turned President Bill Clinton right around — his back now to his own promises.

An American movement for persecuted Christians is just developing. An administration advisory committee on religion met for the first time on Thursday, Tremble, Beijing.

Why has there been no powerful U.S. constituency for persecuted Christians as there was for Soviet dissidents and South African blacks? The answer is in our stars — our business, political and intellectual leaders — and in ourselves.

American businessmen supported Soviet Jews and evangelicals when no big trade deals were at risk. Liberal American intellectuals and politicians also supported them — and the boycott against apartheid.

Now intellectuals and some religious organizations find the movement for

Christian religious freedom too conservative on other matters; all together now, wrinkle noses. Do we really need a political litmus test for supporting religious freedom?

Members of the movement for Christian oppression tell of other problems. They say that Christians do not often enough see themselves in oppressed Christians far away, as a Jewish industrialist remembering the Holocaust might see something of himself in a persecuted Jewish sweeper in Yemen. And ministers in the movement are sometimes lectured that the blood of the martyrs is the seed of the church.

Christian theology is not my specialization. I only know that all prisoners for freedom are intertwined in their chains. Who can believe that their sufferings will not ease if the chairmen of Boeing, General Motors, Morgan Guaranty and Microsoft, and U.S. presidents and secretaries of state past and present, rise to say that the altar must stand higher than the cash register, and pledge to make it so?

And if they fail in their duty to do this, where is it written that the rest of us are absolved from doing ours?

The New York Times.

Europe's Real Needs Aren't the Euro and NATO Expansion

By Thomas L. Friedman

ROME — If you thought 1989 was an exciting year in Europe, with the Berlin Wall crashing down and communism being swept aside, then you won't want to miss 1997. Because the two major balancing institutions in Europe, NATO and the European Union, are both going to be "adjusted" in 1997, and it is going to make for a wild and crazy Eurocoaster.

The Clinton administration is not worried. It is assuming that these two major balances in Europe can be simultaneously "adjusted" and create a new, even more stable equilibrium. Don't bet on it.

By the end of this year, EU members are supposed to commit to a common currency, the euro, that will make their integration much deeper. But this deal isn't cooked. The problem is that the Germans are not keen about letting southern Europe — Italy, Spain, Portugal — into the euro right away because, obsessed with a hard, stable currency, they don't trust southern

Europeans to hold the fiscal and monetary controls needed to maintain a strong euro.

For Germany, southern Europe is still a region inhabited by Bedouins, but you don't share a currency with them. Italians were stunned when Germany's Frankfurter Allgemeine Zeitung wrote last month that Italians don't understand the importance that financial markets attach to rules: "Those who respect rules are often considered stupid in Italy. Why should they go by the rules when the sly push ahead in line, throw rubbish on the street and pass cars on the highway on the right?" Sounds like a great partnership!

This struggle over a common Euro-currency coincides with the effort to expand NATO to Hungary, Poland and the Czech Republic. U.S. diplomats are confident that they can move NATO's frontier closer to Russia, while assuring Russia that it

is not being threatened or frozen out of the new Europe. The United States will do this by forging a NATO-Russia charter that perfectly balances everyone's interests.

Unfortunately, this delicate new balance is going to have to be negotiated while there is a near total power vacuum at the top in Russia. Good luck.

This project also assumes that the countries left out of the new NATO — Bulgaria, Romania, Slovakia, Slovenia, Ukraine and the Baltic states — will sit quietly, and not become a gray area of intense competition between Russia and NATO. Sure.

Here is the truth: Yugoslavia aside, Europe has been quite stable since 1989. We don't need all this heroic geo-engineering of organizations now.

The only way there will be an even more stable, long-term security structure in Europe is if democratic reform in Russia

moves forward, not if NATO's front line moves forward. And the only way the European Union will thrive in the global economy is not if its members have a common currency but if they deregulate their economies and become more competitive and entrepreneurial.

It is much more important that French storekeepers open on Sunday than that they have a common Euro-currency. It is much more important that a young Helmut Gates in a garage somewhere in Germany can raise \$50 million overnight for his invention than that the pitance he can now raise is denominated in a common Euro-currency. Europe's priority now should be internal reform, not organizational reform.

If the leaders don't know this, the people do. Luigi Vittorio Ferraris, a professor at the Free University in Rome and a former ambassador to Germany, remarked to me: "You can't build a new Europe without Europeans, and my students are very

much less European than they were 10 years ago. The enthusiasm for Europe is not there."

"Before 1989, EU and NATO meant security. They meant welfare. Now the fear is gone; the threats are all internal. But we are being asked to put on a new European straitjacket, just when we feel less European."

I hope it all works out: a new NATO, a new European Union, a new currency, all in 1997. But I fear that this will involve too many moving parts. I suspect that we will wish we had let well enough alone.

There is a real danger that we could not only lose the balance that came together in Europe in 1989-1991 — a balance that has been relatively easy to maintain and has provided a stable environment for internal reform — but that we could also lose the energy and focus to deal with the real problems, which are mostly inside these states, not between them.

The New York Times.

Suggestion: Unilateral Israeli Withdrawal From Lebanon

By Stephen S. Rosenfeld

WASHINGTON — More free advice for Israel's prime minister, Benjamin Netanyahu. A bad break — the death of 73 Israeli soldiers in a collision of two helicopters carrying troops and ammunition to Lebanon — could be turned into a good break: a thaw in the yearlong freeze in negotiations between Israel and Syria.

The collision focused not only Israeli public opinion but strategic opinion on the heavy costs to Israel — not to speak of hapless Lebanon — of its Lebanon policy.

The Israelis retain a mercenary Lebanese militia to police a narrow "security zone" in

southern Lebanon. But not only does this operation cost casualty-conscious Israel continuing ambushes and deaths in the zone. It has failed to stop Syrian and Iranian-backed Hezbollah guerrillas from attacking villages over the line in northern Israel.

Mr. Netanyahu complains that Syria is conducting a "proxy war" through Hezbollah on Israel. He is right. But for the 12 years it has been going on, Israel has always had it within its power to put an end to this miserable running sore. It could merely halt its own military operations in southern Lebanon,

withdraw and thereby remove the excuse — to liberate Israeli-occupied Arab soil — that Syria flourishes in order to stay in the southern Lebanon game.

The idea is so simple that one wonders why it was not tested years ago. Both Israel and Syria have let their strategic anxieties get the better of their tactical common sense. Israel fears being cheated by Hezbollah and Syria. Syria fears that it will lose leverage on Israel to quit the Israeli-occupied Golan Heights. The two, weighed down by distrust, have so far been unable to get off the dime.

For the necessary breakout, one side must go first. Syria? A regime of small ambition other than holding power, it can live with the status quo. Israel? A society of large ambition, it cannot live comfortably under southern Lebanon's cloud of casualties. This is what has propelled Israel's growing debate, in both major parties, and especially since the loss of those two Lebanon-bound helicopters, over whether the country should withdraw unilaterally. It is no longer an off-the-wall idea.

The hurdle that has to be leaped, of course, is the possibility that Syria would pocket Israel's withdrawal without recompensing it with a withdrawal by Hezbollah. But a Syrian leadership that cheated would stand discredited in the one coin — fidelity to its word — that means something to it.

It would be irresponsible and costly for Hafez Assad to advertise himself as frivolous and unreliable precisely at the moment when new negotiations with the Israelis loom. This has nothing to do with "trusting" him, and everything to do with trying to get a grip on the man.

Against the chance that Hezbollah somehow might still be able to prolong terrorism in and from southern Lebanon, Israel presumably would want to maintain an option for unilateral military response.

This is a political necessity for the Israelis, notwithstanding their decades of experience with the frustrations of striking

back on their own. There the familiar difficulty is the lack of a Lebanese political authority strong enough to withstand the power and willfulness of Israel and Syria. They are twin manipulators of Lebanese internal affairs.

The familiar remedy, never sufficiently tried, is for the two regional superpowers to extinguish their respective militias and allow a Lebanese writ to run in the whole country. This is what a process that began with a unilateral Israeli withdrawal would be intended to do.

Unilateral — there are degrees. The point would be to prevent the inevitably clogged process of negotiation from blocking what is not so much an imposed one-sided solution but a result to the mutual advantage of Israel, of Syria and of Lebanon, whose country, mind it is.

The Israelis would pull the plug on their militia and the Syrians on theirs — that's the deal. The political considerations that inhibit Israeli withdrawal of any sort in the West Bank — the presence of Jewish settlers, the biblical claim to the land — do not apply in southern Lebanon.

It has been a goal of both Syria and Israel to embed security arrangements in a peace agreement. The southern Lebanon gambit discussed here is a detour. But, slight and unheroic as it is, it could provide the boost that the parties obviously need to get back, after a year's lapse, on the negotiating track.

The Washington Post.

Great Women of Georgetown

By Maureen Dowd

WASHINGTON — The two great women of Georgetown lived through history that others only read about. They were raised to be the opposite of what they became. For years they were happily in the shadow of famous men. Then, widowed, they struggled to remake themselves as serious players in arenas where women were rare.

Pamela, Digby Churchill Hayward Harriman and Katharine Graham have been dominating attention in the capital. Mourner called Mrs. Harriman's elaborate funeral at the National Cathedral on Thursday "her last cocktail party," perfectly calculated and coolly orchestrated for the cameras, a three-layer cake, where the elite of the elite jockeyed for good seats.

Mrs. Graham has been celebrated in a happier way, with raves and fetes for her memoir, in which she describes the awful story of losing her husband twice, first to a mistress and then to suicide, and the bracing story of how she transformed herself from a doorman into a publisher whose brave decisions on the Pentagon Papers and Watergate changed the character of American journalism.

Superficially, the lives of these women, who were friendly but not intimate, followed similar arcs. But Pamela and Kay were as different as Scarlett and Melanie, one full of guile, the other guileless, one self-centered and showy, the other shy and modest, one promoting herself as a great sex symbol, the other painfully insecure.

Mrs. Graham was born to the arena, while Mrs. Harriman was always struggling to get into it. While Kay was still an ungainly, unsophisticated housewife, Pamela was already the original Cosmo Girl, tailoring herself to trap dukes, princes and millionaires, changing religions like clothes to suit the hunt, treating wives as minor obstacles.

She was praised by one lover, Elie de Rothschild, as his "European geisha," and by one husband, Leland Hayward, as "the greatest courtesan of the century."

Mrs. Harriman's life was like a series of glamorous stage sets. She would build each one meticulously, then strike it after it had had its use. In her final role she did gain some respect as ambassador to France. Mrs. Graham spent 30 years building one great institution, The Washington Post.

Mrs. Harriman made it the way women used to make it — by illusion, romance and linking herself to powerful men. Mrs. Graham inherited a newspaper but then remade it and herself the woman in the modern age, by grit, intelligence and hard work.

Mrs. Harriman was angry about biographies by Christopher Ogden and Sally Bedell Smith that dwelled on the playgirl years. Unlike Mrs. Graham, who was startlingly honest in her book, she wanted her biographers to explain how she and her father-in-law Winston Churchill won the war, and how she revived the

Democratic Party in the '80s. "Pamela wanted to be adored, and later respected," said Mr. Ogden. "Kay Graham wanted to be understood."

Mrs. Harriman will never be seen as a great figure in the world of diplomacy. But she will be seen as a great figure in the world of salons, present at virtually every important juncture in the history of her time.

If you read about Mrs. Harriman to learn the secret of her allure, you will be disappointed. The vixen was a nanny. It must have been hard to fetch so many slippers, mix so many martinis, puff so many pillows, tilt so many umbrellas to guard her men from the sun, and look so adoring, no matter how tedious the man.

Mrs. Harriman's work was never done. Lovers disappointed her. Stepchildren loathed her. Relatives sued her. There lurked always, for her, the fear that she was an object of fascination but also of ridicule.

At her funeral, there was more rolling of eyes than drying of eyes, when the president called her legacy "the growing promise of a Europe undivided," and repeated Jacques Chirac's description of her as the best ambassador to France since Benjamin Franklin and Thomas Jefferson.

But those who are reading Mrs. Graham's book and thinking about her life are not rolling their eyes. They are admiring a woman who did not owe her importance to seduction. There is more than one way for a woman to rule in Georgetown.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Atlantic Cable

PARIS — The construction of the transatlantic cable, which the French company of telegraphic cables will lay between Brest and New York this summer, is being actively pushed forward at the Bezons and Calais workshops. The new cable will be more than 6,000 kilometers in length, the longest which will have been laid. Copper will be used to manufacture the conductor, which will then be covered by gutta-percha. Over the gutta-percha there will be a protecting sheath of galvanized steel wire.

1922: Palestine's Future

LONDON — Palestine is, according to Lord Sydenham, on the brink of far more serious events than any yet experienced. According to him, "The trouble has its roots in the Balfour declaration and mandate, both of

which were drafted by Zionists and approved in New York before they were given out to the world and both of which must be revised." He predicts that "there is certain to be a great disturbance, which British troops will be called upon to quell."

1947: Hanoi Bombed

PARIS — French troops fighting in Indo China reported slow progress against stiff resistance by Viet Namee Nationalists around Hanoi yesterday [Feb. 15]. Low-flying French Spitfires strafed areas north of the Viet Namee-held quarter of Hanoi. French Dakotas dropped 200-pound bombs around the Nationalists' strong points. French tanks and paratroopers moved in to blast these positions at almost point-blank range. Despite this operation, French communiques from Hanoi said the native quarter of Hanoi was still in Viet Namee hands.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41 43 91 00. Fax: (1) 41 43 92 10. Adm.: (1) 41 43 92 12. E-Mail: ihb@ihb.com
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Women Make Inroads In Construction Industry

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CURRENCY RATES

Unilever Trims Profile And Attracts Admirers

Stock Rises as Conglomerate Scales Back

By James Sterngold
New York Times Service

Until recently, the moves by the giant consumer-products company, Unilever PLC, were predictable and it relied on financial left rather than on nimbleness to gain a point or two of market share. But last week, the British-Dutch company took the market by surprise when it announced it would sell four of its larger businesses. Has this stodgy manufacturer of everything from Good Humor ice cream to Dove soap and Q-Tips suddenly become a growth stock?

The answer is perhaps, by slimming down. After years of slow growth, much of it through acquisitions, Unilever is talking about eventually shedding businesses that now account for 20 to 30 percent of its revenues.

Coming from Niall Fitzgerald, the chairman of the British headquarters of Unilever and a man who reportedly once turned down the offer of a company car in favor of a speedy motorcycle, last week's moves perhaps should not have been a surprise.

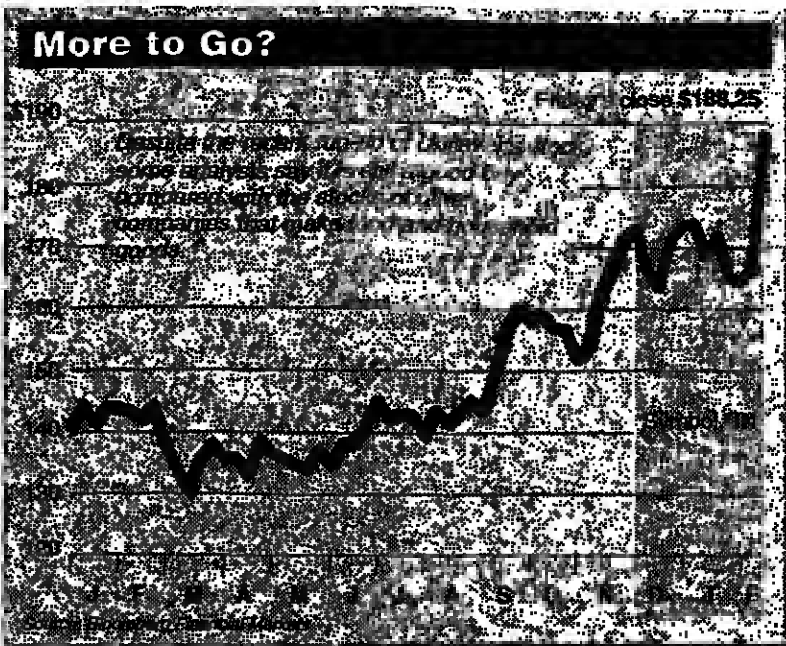
But investors responded enthusiastically nonetheless. In New York, Unilever's shares soared from \$168.125 on Monday to \$188.25 at the Friday close. On Friday alone, the shares rose \$8.25, fueled by rumors of a share split and Deutsche Morgan Grenfell's upgrade of the stock from hold to buy.

"I liked the news tremendously," said Nomi Ghez, an analyst with Goldman, Sachs & Co., about the sale plans. "We've been recommending this stock for a year now on the thesis that this company was getting ready for significant change. Now it's happening after disappointing people for a long time."

Adding to the good news were Unilever's strong fourth-quarter earnings, also reported last week. Analysts said the earnings were a product of its cost-cutting strategies and its efforts to increase margins.

Unilever said its earnings were \$597 million, up 60 percent from the comparable quarter in 1995.

But most important was the announcement of Unilever's plan to sell four specialty chemicals companies



that are peripheral to its primary focus as a consumer products giant. The four units — National Starch & Chemical Co., Quest International, Unichema and Crosfield — account for 9 percent of Unilever's sales.

But will Unilever stock continue to rise? After all, it gained nearly 12 percent in the last week alone.

Some analysts remain bullish. Ms. Ghez, who has predicted that Unilever

stock will top \$200 this year, says the stock is still a strong buy. "It is not going to run out of steam because this represents such a major change at a major company," she said. "As long as the story evolves, the stock will be strong."

One reason for the optimism is that expectations have long been so low for

See GROW, Page 15

Launderers Cash In On Eastern Europe

Use of Banknotes Aids Criminals

By Peter S. Green
Special to the Herald Tribune

PRAGUE — The capitalist explosion in Russia and Eastern Europe has turned the region into a new center for money laundering, threatening to undermine popular confidence in the free market, and international law-enforcement officials say the problem will continue as long as cash drives the region's boom.

Billions of dollars from criminal activity, including tax evasion, are filtered through the region to enter the world's monetary system, officials from West and East European countries say.

At a two-day conference in Prague last week, the officials said there was still no way to gauge either the amount or the kinds of money laundered in the former Communist bloc. Many countries in the region have only just begun to deal with the problem, they said, and no East European country has yet reported a conviction for money laundering.

"There is absolutely the potential that if money laundering and other criminal types of activity are not brought under control, it could shake faith in the market economy," said the conference's chairman, John Taylor, general counsel of the European Bank for Reconstruction and Development.

"These countries are largely cash economies," he said, "and in some

countries we know there is a widespread criminal element. When you have a cash economy and a criminal element, money has to be laundered."

But analysts acknowledge that it is difficult to say how much money is being laundered here.

"The worldwide gross criminal product has now reached \$1 trillion," said David Bickford, a former adviser to the British secret services. "But here it's difficult to identify the problem. In emerging economies, it is money laundering or it is creating capital through means that may have once been legal but are now illegal."

Eduard Jelen, director of internal control at the Czech bank Ceska Sporitelna, said money laundering would be tough to fight as long as cash remained the chief means of payment in the region.

"You have to understand that this is still a cash system," he said. "Three or four years ago people didn't even have ATM cards. There are still almost no credit cards. The first step is to change the thinking of these people."

In the Czech Republic in 1990 there were 50 banks and no fraud squad," said Jonathan Harfield of the European bank.

"In Bulgaria, state companies are sold for cash. What a golden opportunity to launder money."

See MONEY, Page 15

Mutual Funds Get Credit for Surge in Stock Prices

By Edward Wyatt
New York Times Service

NEW YORK — The mutual fund industry has been going to great lengths to deny responsibility for the stock market's boisterous rally, which last week took the Dow Jones industrial average above 7,000 points and the Standard & Poor's 500-stock index over 800, each for the first time.

Dan Powell, chairman of the Investment Company Institute, the industry's leading trade group, has dismissed the notion by saying that mutual funds own only 14 percent of corporate equities in this country, far less than the share owned by individuals and pension funds. John Rea, chief economist of the institute, said his studies had found "no correlation between the performance of the equity market and mutual fund flows."

But plenty of people believe otherwise. For evidence, look at what happened Wednesday, when the institute reported that \$24 billion flowed into stock mutual funds in January. Within a half-hour, the Dow industrials doubled their gain for the day.

On Thursday, the Dow industrials continued their rally, moving above the

latest thousand-point mark before falling to 6,988.96 at the Friday close.

That Wall Street traders and brokers are watching mutual fund cash flows is clear to Melissa Brown, a quantitative analyst at Prudential Securities, who each week sends Prudential's brokers

Switching fund chiefs barely affects returns, Fidelity says. Page 11.

a summary of the cash flow reports provided by AMG Data Services, an independent fund-tracking company.

"We crunch the numbers every week," she said, "and if our report is five minutes late, people get upset."

At Smith Barney, professionals ranging from equity traders, who must make minute-to-minute investment decisions, to brokers, who presumably work with a longer-term perspective, are "all pretty interested" in how much cash is coming into the firm's mutual funds, said Jessica Biblowicz, who oversees the mutual funds unit.

"Does mutual fund cash flow affect the market?" she asked. "I think it definitely does."

To be sure, the \$24 billion that flowed

into equity mutual funds, as estimated by the Investment Company Institute, was not a record for inflows in a single month. That accolade belongs to January 1996, when \$28.9 billion moved in. When measured as a percentage of assets already invested in stock funds, last month's inflow of 1.37 percent fell below the level recorded in each of the first five months last year.

Other factors have also helped keep the market moving ahead. Corporate earnings are robust. The economy is humming. The dollar is strong. Consumers are confident and intent on saving for the future.

Since late 1990, those factors have combined to fuel a nearly unbroken rise in stock prices. During that time, the Dow industrials have not fallen more than 10 percent below their peak level.

Only one thing has changed: the portion of equities held by mutual funds.

According to the Federal Reserve, that percentage has more than doubled since the end of 1990, to 14.3 percent from 6.6 percent. (Like most government statistics, the Fed's numbers are somewhat dated. The most recent figures measure holdings through the third quarter of 1996.)

Over the same period, the portion of equities owned by individuals directly rather than through mutual funds fell to 47.7 percent from 49.9 percent. The portion owned by pension plans, both government and corporate, and insurance companies dropped to 28.6 percent from 30.2 percent. Foreign ownership fell, too, to 6.1 percent from 6.9 percent.

The growth of the mutual fund industry has affected the stock market in other ways, too. Individuals who own stocks are far less likely to be active traders than are mutual fund managers. According to the fund-tracking company Morningstar Inc., nearly a quarter of the mutual funds that invest in a broad array of American stocks turn over their entire portfolios each year.

Increasingly, fund managers are focusing on the stocks of the biggest American companies. To keep up with the soaring returns of the Dow industrials and the S&P 500, many have been bidding up the prices of the largest stocks while ignoring their smaller cousins.

Asian Finance Reform Lags

Compiled by Our Staff From Dispatches

SINGAPORE — Protectionism in Asia's financial sector could impede the region's future economic growth unless major reforms in liberalizing the industry are initiated, a report warned Sunday.

Outside of Hong Kong and Singapore, "the local financial systems are increasingly inadequate in servicing the needs of these same countries' industrial and consumer sectors," said the report, which was issued by the Hong Kong-based Political and Economic Risk Consultancy Ltd.

"In almost every country in Asia, pressure is building for significant financial-sector reform. Yet vested interests in the industry and certain parts of the government bureaucracy can be counted on to dig in their

heels," it said.

The report said Asian banks had failed to follow the lead of banks in the United States and Europe, which have undergone restructuring.

"By comparison, the banking systems in most Asian countries are standing still," the report said. "There is no sense of urgency to restructure."

The report pointed out the region's financial systems were increasingly inadequate in servicing the needs of the industrial and consumer sectors at home. This, it said, threatened to impede overall economic growth in the future.

The group also published a survey that showed Singapore and Hong Kong leading the region in terms of overall quality of banking systems, ahead of Japan.

(AFP, Reuters)

CYBERSCAPE

Computer Mind Games for Grown-Ups

By Richard Covington
Special to the Herald Tribune

CANNES — Neurons feeling flabby? Try Mind Gym, a combination quiz and analyst session that is part of the flood of multimedia games aimed adults. In another breed of so-called hybrid games, which combine a computer disk with input from an on-line connection, users inhabit "parallel universes" — creating their own personas, playing politics, robbing banks, and of course, shopping.

Fed up with the monsters and mazes of computer battlefields, a growing number of producers in the \$30 billion CD-ROM industry have finally discovered that literate storytelling and comedy draw audiences.

As brilliant as the technology is for archiving and referencing every conceivable form of encyclopedia, the task of making "users" laugh, cry and smile has proven elusive. Now, games such as NoHo Digital Ltd.'s "Mind Gym" and parallel-universe paradigms devised by Canal Plus SA of France and the British game developer Pepper's Ghost promise

to inject some emotional impact into the arid terrain of entertainment software.

Among the 9,000 multimedia publishers, buyers and developers gathering last week at the Milla international market in Cannes, any euphoria over rising global sales was tempered by the sobering realization that on-line and computer-driven multimedia remain years away from becoming a serious competitor to television, cinema or the home video industry — even as video ultimately moves on to the new world of digital video disk, or DVD.

"The personal computer is not even close to becoming a mass-market entertainment device," said Nicholas Donatiello, president and chief executive officer of Odyssey LP, a marketing research firm based in San Francisco.

"The computer industry has completely forgotten that entertainment is the 6,000-pound gorilla in people's living rooms and information is the Chihuahua snapping at its heels," he added.

Said Mr. Donatiello dismissed reports of the premature demise of the CD-ROM. In homes that have both multimedia computers and on-line services,

consumers spend more time with their CD-ROM titles and remain more satisfied with them than with the multimedia they receive from the on-line services, he said.

Overall, CD-ROM sales are robust, doubling in Europe over the past year to \$2.3 billion, and rising by 60 percent in the United States, to well over \$10 billion, according to Ben Ken of Screen Digest Ltd., a British publication that tracks the media industry. Despite this encouraging surge in sales, however, only a handful of multimedia publishers are making profits. In the United States, Microsoft Corp., Walt Disney Co., and six other publishers accounted for more than 70 percent of sales, Mr. Ken said.

"It's sad but true that the number of CD-ROM titles is completely out of proportion to the size of the market," he added.

In an attempt to woo adults to the computer for entertainment, a number of multimedia developers are paying more than mere lip service to such arcane production values as the shaped

See GAMES, Page 16.

Chief Italian Banker Urges Flexible Pay

Compiled by Our Staff From Dispatches

TREVISO, Italy — The governor of the Bank of Italy, Antonio Fazio, has called for increased flexibility in the salaries of Italian workers to spur job creation.

Mr. Fazio said wages must be linked to the profitability and productivity of the companies paying them.

"The adoption of a strict connection between earnings and employees on one side and revenues and the productivity of the firm on the other," he said, will lead to a better allocation of wealth.

"It can raise the level of employment," he added.

Recent wage accords have helped in stabilize prices and made Italian industry competitive, he said, but they have not reduced unemployment precisely because of the rigidity of the labor market.

Mr. Fazio's comments, published Sunday after he delivered them Saturday in a speech in Treviso, came just days after the central bank governor convened the chief officers of the 15

largest Italian banks to discuss ways of reforming bank labor laws. Just a week earlier, Mr. Fazio called for profound changes to the nation's social security and welfare system after a meeting of the Group of Seven leading industrialized nations.

"In Italy and the other industrial economies," Mr. Fazio said in Treviso, "cyclical unemployment is due to the rigidity of companies' overall salary burden, which does not change even when global demand is in a downturn."

Any changes to labor laws to spur greater flexibility must be done in conjunction with unions and other institutions that make up the nation's social fabric, Mr. Fazio added.

The central bank governor said the success of small and medium-sized companies in Italy was largely due to the willingness of workers to help their companies.

"That strength is derived from the flexibility of the labor factor, not only in terms of cost but also in the attitude of

workers in sharing the goals of the company as a whole," he said of the success of small companies.

(Bloomberg, Reuters)

IG Metall Sees Jobless Increase

Klaus Zwickel, the head of Germany's largest union, IG Metall, said in an interview published Sunday that he expected unemployment to rise to 5 million people soon, Bloomberg News reported from Frankfurt.

Mr. Zwickel told the newspaper Bild am Sonntag that unemployment would decline in the spring, but he forecast average unemployment for the year would be "significantly above 4 million."

Rather than cutting spending and trying to lower taxes, the union leader said the government should increase investment in infrastructure, services and research to fight unemployment.

In January, a record 4.65 million Germans were jobless. The unemployment rate for the month was 12.2 percent, a postwar high.

CURRENCY RATES

Cross Rates	Feb. 14	Feb. 14	Feb. 14	Feb. 14	Feb. 14	Feb. 14	Feb. 14	Feb. 14	Feb. 14
Australia	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Canada	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
France	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55
Germany	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Italy	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Japan	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00
UK	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Switzerland	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Sweden	8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40
Spain	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
South Africa	13.75	13.75	13.75	13.75	13.75	13.75	13.75	13.75	13.75
South Korea	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00
Taiwan	24.50	24.50	24.50	24.50	24.50	24.50	24.50	24.50	24.50
Thailand	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
US Dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Yen	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00

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seminars and conferences. He is also a member of the
Beverly Hills Chamber of Commerce and the Beverly Hills
Country Club. He is a member of the Beverly Hills
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Herald Tribune

CAPITAL MARKETS ON MONDAY

European Bulls Take Cues From Across Atlantic as Dollar Firms

By Carl Gewirtz
International Herald Tribune

PARIS — The old adage — if America sneezes, Europe catches pneumonia — is being turned inside out with the long-running optimism in U.S. financial markets spreading euphoria in Europe.

Enormous amounts of money are moving into European bond and equity mutual funds, analysts say, although data remain sketchy.

Inflows into bond funds in Italy in January are estimated at the equivalent of \$10 billion, double the previous month's amount, while equity funds reported a net inflow of \$1 billion after two years of outflows. In France, bond funds reported that 35 consecutive months of net outflows ended last month while net inflows into equity funds increased for the first time since mid-1994.

The major European stock markets are all trading at or near record levels, in large part because of the soaring dollar and the lift it gives to export-driven growth in Europe. At the same time, further bolstering growth prospects, long-term interest rates in Germany, France and Spain are at lows not seen since the 1960s thanks to an accommodative monetary policy.

The new element in this favorable configuration is the strength of the dollar. Although the Group of Seven leading industrialized nations has signaled its desire to see the dollar stabilize, the currency continues to advance. It gained 1.5 percent against the Deutsche mark last week, finishing at 1.6874 DM, and 0.9 percent against the yen, at 124.35 yen. So far this year, the dollar is 9.5 percent higher against the mark and 7.4 percent higher against the yen.

The dollar ended the week a tad below its highest levels, but analysts attributed the retrenchment to caution because U.S. markets will be closed Monday for President's Day and fears

'European bond markets don't look vulnerable, nor do equity markets.'

that Tokyo might use the unusually light trading over the holiday to intervene.

Japan's reserves, just over \$200 billion, gives it the ammunition to allow the dollar's advance and possibly even temporarily drive it back down a bit. But many analysts, including Ned MacKinnon of Citibank, say they doubt that Tokyo alone can stop the dollar.

"At best, they could hope to brake its advance, but they can't stop it," he said. Japan, he said, like Europe, needs a strong dollar to spark domestic growth.

The policy mix in Japan and Europe — where governments seeking to rein in spending and reduce fiscal deficits need to keep interest rates low to spur growth — is seen by some as fueling the rally in financial markets.

"This is a liquidity-driven rally," said Jesper Koll of J.P. Morgan & Co., brought on largely by central banks in Continental Europe and Japan pushing short-term rates to historic lows and providing low-cost money to finance speculation.

Interest rates have undergone a dramatic compression, he said, whether comparing government yields within Europe relative to Germany, corporate bonds against government paper, or

emerging-market debt against benchmark levels. Thus, Mr. Koll said, it is likely rising asset prices are a bubble.

"Only when central banks start to turn off the global liquidity machine," he said, "will the bubble's rising can best be monitored by checking the speed of yen depreciation."

Mr. Koll said. But John Llewellyn of Lehman Brothers challenged that view.

"We may be close to a bubble in the yen," he said, estimating the fair value for the dollar at 100 yen and calling glib the "market mania" that intervention by the Bank of Japan with no other policy change could not stop the yen. When policies are right, he argued, intervention has and can be effective.

But no such bubble appears in financial markets, he said.

"The U.S. equity market does not

look particularly vulnerable," Mr. Llewellyn said. "The corporate earnings need to be back up these levels seem to be there. And the bond market doesn't look vulnerable because frankly the inflation performance — and particularly the most recent data — really does look brilliant."

"Nor do European markets look particularly vulnerable. Short-term activity is weak, and clearly short-term rates are going to stay low for a good long time. It would appear that long-term yields are poised to decline further when it becomes apparent that Europe, also, is entering a period of growth without inflation."

"European bond markets therefore don't look vulnerable," he added, "nor do equity markets because we're beginning to see, although in a slightly paler version, an improvement in productivity like we've seen in the United States that has done so much to underpin profits."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Feb. 14. Prices supplied by Teletel.

Rank Name Cpn Maturity Price Yield

Argentine Peso

178 Argentina 11 02/27/97 99.4500 11.8100

Belgian Franc

156 Belgium 5 03/28/01 102.8500 4.8600

British Pound

92 EBRIO 4.20 02/01/00 96.7145 6.4100

196 Habsburg Int Fin 7 12/30/02 101.3750 7.2700

218 EIB 7 06/07/02 101.3750 7.1500

231 EIB 7 12/07/06 102.8000 7.4800

236 BAA 7 02/07/07 100.8750 7.8100

Canadian Dollar

245 Canada 8 06/01/23 113.45 7.0500

Danish Krone

4 Denmark 8 01/15/06 112.3000 7.1200

10 Denmark 7 11/26/07 104.2500 6.7100

20 Denmark 8 11/26/07 112.4400 7.1100

24 Denmark 7 11/26/07 108.4400 8.3000

25 Denmark 8 06/15/07 112.4400 7.1100

26 Denmark 7 11/26/07 112.4400 7.1100

42 Denmark 6 12/10/99 104.6800 7.7000

49 Denmark 7 12/15/04 106.4500 6.5800

54 Denmark 8 01/21/04 102.5500 6.7100

85 Denmark 7 08/15/97 101.5000 6.5900

107 Denmark 6 11/15/02 102.7000 6.7900

114 Denmark 8 02/15/06 103.2000 6.7700

121 Nykredit 3 Cs 6 10/01/26 89.5800 6.7000

154 Denmark 4 02/15/00 99.5000 4.0000

170 Real Kredit 6 10/01/26 89.5800 6.6800

Deutsche Mark

1 Germany 6 01/04/07 103.3000 5.8100

2 Germany 6 04/26/06 105.1750 5.9400

3 Germany 6 01/21/02 115.0333 6.3500

6 Germany 6 10/15/05 106.9783 6.0800

7 Germany 3 12/18/98 100.2100 3.4900

9 Germany 6 02/15/00 106.4400 6.2700

10 Germany 6 08/20/01 102.7657 6.8700

12 Germany 8 09/20/01 115.7373 7.1400

13 Germany 5 05/21/01 103.2400 6.4800

14 Germany 6 01/21/02 115.0333 6.3500

15 Germany 6 01/05/06 103.4400 5.8000

16 Germany 7 01/03/05 112.90 6.5300

17 Treuhänder 7 01/03/05 112.90 6.5300

18 Treuhänder 7 12/02/02 112.57 6.5000

21 Treuhänder 7 07/09/03 108.7800 6.0900

22 Germany 5 05/15/00 105.9400 6.5000

23 Germany 6 02/14/06 103.4240 5.8000

26 Treuhänder 7 01/29/03 111.5233 6.3900

27 Germany 5 11/21/00 103.6100 6.2500

31 Germany 6 01/04/24 95.5000 6.1800

32 Treuhänder 6 04/11/03 110.1367 6.2400

33 Germany 5 02/21/01 102.9250 6.5000

36 Germany 6 12/02/98 103.7000 6.4900

37 Germany 6 01/21/02 115.0333 6.3500

38 Germany 8 12/20/00 114.4350 7.6200

39 Germany 7 11/10/04 113.6800 6.6000

41 Germany 6 02/20/01 115.73 6.7700

43 Treuhänder 7 12/02/02 112.57 6.5000

44 Germany 7 12/02/02 111.5620 6.3900

45 Germany 6 01/21/02 115.0333 6.3500

46 Germany 6 01/21/02 115.0333 6.3500

48 Germany 5 06/22/00 105.9800 6.4500

50 Germany 3 01/18/98 106.2700 6.4900

52 Germany 6 04/22/03 109.6425 6.1600

53 Germany 9 10/20/00 114.4475 7.7300

56 Germany 5 01/14/99 102.9400 6.8600

59 Treuhänder 6 05/13/04 109.2100 6.1800

61 Germany 6 06/20/06 107.9883 6.1200

63 Treuhänder 6 07/01/99 106.3900 5.9900

67 Treuhänder 6 02/24/98 102.1600 5.9400

70 Treuhänder 6 04/23/03 108.2800 5.9000

72 Treuhänder 6 03/04/04 106.4213 5.8700

73 Treuhänder 6 07/20/99 106.3200 5.8000

75 Germany 6 07/15/04 109.2700 6.1800

76 Germany 8 07/20/00 114.9300 7.4100

81 Germany 6 03/15/00 107.6633 6.8400

84 Treuhänder 6 11/12/03 105.3017 5.7000

86 Germany 6 07/15/99 107.8000 6.2600

87 Germany 7 12/22/97 103.1900 6.7800

89 Germany 5 10/20/98 103.1300 6.0900

90 Germany 6 09/15/03 105.7800 6.2500

93 Germany 8 05/21/01 115.5600 7.2500

95 Germany 8 08/21/00 114.3500 7.4300

Rank Name Cpn Maturity Price Yield

98 Germany 8 07/21/97 102.1300 8.0800

100 Germany 6 01/02/99 105.4775 6.1600

101 Germany 5 04/22/99 103.8375 5.1800

104 Germany 6 05/20/99 105.7567 5.7900

106 Treuhänder 6 06/25/98 103.7700 5.9000

119 Treuhänder 5 04/29/99 104.8400 5.4800

123 Germany 6 02/20/98 102.7800 5.6400

124 Germany 6 05/20/98 103.6700 5.1400

139 Germany 5 05/20/99 104.9000 5.4000

140 Treuhänder 7 11/25/99 106.7750 6.4400

141 Treuhänder 5 12/17/98 102.8400 4.8600

143 Germany 7 10/21/02 112.1300 6.4700

145 Germany 5 11/20/97 101.5600 5.1700

152 Germany 8 09/22/97 102.8200 7.7800

153 Germany 6 01/20/98 103.1267 6.4200

159 Germany 5 06/20/98 103.3500 5.4000

160 Germany 5 02/25/98 102.0700 5.1400

163 Treuhänder 5 09/24/98 103.5167 5.5000

179 Germany 5 01/29/02 101.8500 5.8900

187 Denmark 0 03/10/97 99.7950 2.9100

197 Spain 5 01/03/07 100.0800 5.7500

201 Germany 7 02/21/00 111.0740 6.9800

202 Germany 7 10/20/97 102.8700 7.2900

206 Germany 0 04/18/97 99.4639 3.1100

209 Germany 0 08/21/06 103.8800 6.8200

211 Austria 6 01/10/04 103.6000 6.4600

213 Suedwest LB 4 01/30/02 101.0000 4.8300

214 Germany 8 03/29/97 100.4575 7.9600

224 LV 5 10/17/03 102.1600 5.3800

234 Portugal 0 03/07/97 99.8224 2.8600

237 Germany 6 04/29/98 103.1475 5.8300

238 Merrill Lynch 3 02/11/99 99.9100 3.1900

243 Germany 5 08/26/97 101.3000 5.6900

Dutch Guilder

40 Netherlands 6 07/15/98 103.9700 6.0100

54 Netherlands 6 01/15/06 104.4000 5.7400

60 Netherlands 9 05/15/00 113.3500 7.8000

74 Netherlands 7 01/15/23 112.3000 6.3900

75 Netherlands 6 02/15/98 104.3300 6.7700

80 Netherlands 8 02/15/00 112.40 7.4000

94 Netherlands 7 06/15/05 111.45 6.2800

99 Netherlands 6 11/15/05 109.7600 6.1900

102 Netherlands 6 04/15/01 114.9800 6.4100

108 Netherlands 9 01/15/01 117.1000 7.6900

112 Netherlands 7 11/15/99 109.7500 6.8300

113 Netherlands 8 04/30/02 117.7000 7.0500

115 Netherlands 8 03/15/01 115.7400 7.3400

122 Netherlands 8 09/15/01 117.9100 7.4200

129 Netherlands 6 09/15/02 105.1600 5.7000

133 Netherlands 6 04/15/03 106.7500 5.9600

134 Netherlands 7 06/15/99 108.7000 6.9000

135 Netherlands 9 03/15/99 107.0300 6.5400

142 Netherlands 5 01/15/04 104.1000 6.3100

145 Netherlands 9 07/01/00 115.6500 7.7800

146 Netherlands 7 02/15/03 111.45 6.2800

156 Netherlands 6 01/15/00 110.6000 6.9900

164 Netherlands 9 11/30/00 112.70 7.8600

215 Netherlands 8 06/01/06 122.4000 6.9400

225 Netherlands 8 04/15/02 110.61 7.0800

232 Netherlands 7 06/15/01 112.8000 6.7700

233 Netherlands 7 10/01/04 113.0500 6.4100

239 Netherlands 8 04/15/07 121.3000 6.8000

ECU

97 France OAT 7 04/25/06 106.9000 6.4300

131 France OAT 7 04/25/05 112.1300 6.9900

132 France OAT 5 04/23/07 96.8750 5.6800

136 France B.T.A.N. 6 03/16/01 101.1600 5.7100

137 France BTAN 6 03/16/97 101.8600 4.9100

138 Britoil 9 02/21/01 116.20 7.8500

139 France OAT 6 04/25/04 103.0000 5.8300

150 UK T-note 5 01/26/99 101.5583 4.9200

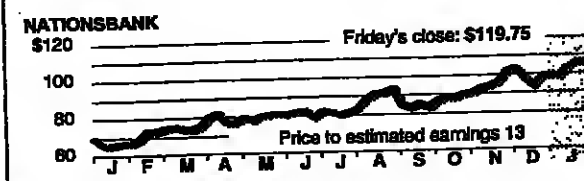
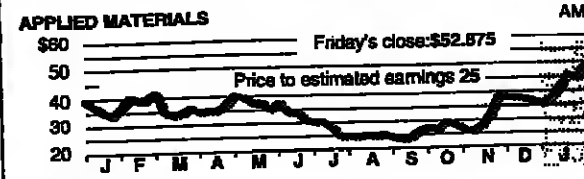
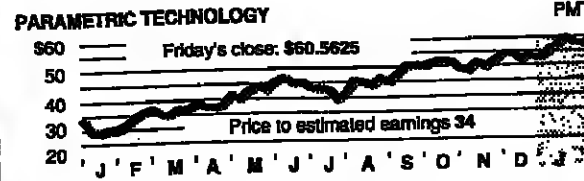
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Figures as of close of trading**Figures as of close of trading**

A Formula for Growth

James Oelschläger likes stocks whose projected earnings growth rates are greater than their price-earnings ratios, based on estimated earnings for the year. Here are some picks and his PE estimates.



Source: Bloomberg Financial Markets

Page	Line	Lat	Long	Alt	Temp	Wind	Clouds	Pressure	Humidity	Visibility	Remarks
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1	5	41 15 N	89 05 W	100	55.0	10	000	1013.2	85	10	Light rain
1	6	41 15 N	89 05 W	100	55.0	10	000	1013.2	85	10	Light rain
1	7	41 15 N	89 05 W	100	55.0	10	000	1013.2	85	10	Light rain
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Consolidated prices for all shares

traded during week ended Friday,
Feb. 14

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Why he
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Teddy Roosevelt was a big game hunter about seventy years old when he was a ripe old age of 62. A few years ago, however, he was a young man. What improvements in his quality of nutrition and his expectancy of life are the biggest strides in the turn of the century? The improvements in medicine decrease the ability of even one man to die of disease.

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Continued on Page 17

SHORT COVER

Record Australian Gold Output

SYDNEY (AFP) — Australia's gold output hit a record 292 metric tons last year, increasing 15 percent, an industry consultant said Sunday.

The record output was helped by production in the last quarter of 76 metric tons, said Sandra Close, managing director of Surbiton Associates Ltd., a mining consultant.

The 1996 increase was due to higher output from many existing operations and to the commissioning of nine new primary gold producers, Ms. Close said.

Telefonica Offer Oversubscribed

MADRID (Bloomberg) — Telefonica SA, the Spanish national telecommunications company, has received orders from institutional investors worth 4.6 times the number of shares available in the state's sale of its remaining 21 percent stake, the state-owned news agency Efe reported Sunday.

The order period of the share sale ended Friday and the final price that investors will pay will be announced Monday. The share price will not exceed the 3,385 pesetas (\$23.71) maximum set on Feb. 10, and the offering is expected to raise about 645 billion pesetas.

Investcorp's Net Rises 28.6%

MANAMA (Reuters) — Investcorp, an international investment bank, said Sunday its net profit for 1996 rose 28.6 percent, to a record \$90.4 million, up from \$70.3 million in 1995.

Investcorp said its board of directors had recommended a \$30 million cash dividend to shareholders for 1996, up 100 percent from 1995.

"Our success in 1996 was a direct consequence of the strong foundations, the high professional standards and the corporate values on which Investcorp is built," said Investcorp's president and chief executive officer, Nemir Kirdar.

Seoul's Trade Deficit Rises 165%

SEOUL (Bloomberg) — South Korea's current account deficit surged 165 percent last year, raising expectations the government will continue to slow economic growth to curb imports. According to preliminary central bank figures, the deficit reached \$23.7 billion, in line with economic forecasts.

BT to Seek Approval to Buy Cellnet

LONDON (Bloomberg) — British Telecommunications PLC said Sunday it could seek the British government's clearance to take full control of Cellnet Ltd., the mobile telephone operator it owns with Securicor Group PLC, after the forthcoming general election.

"There is a possibility that we would bid for the stake after the election, if the price is right," said a spokesman for BT, Robert Dunnett.

Romania to Privatize 70 Companies

BUCHAREST (Bridge News) — Nearly 70 Romanian state-owned companies, including the national electricity and railroad utilities, oil refineries, farming machines, the state radio and television networks, will be privatized as part of the government's effort to raise money for revamping the economy this year.

The list of companies to be sold was released Saturday by Prime Minister Victor Ciorbea, who warned that the privatizations would entail about 90,000 layoffs.

Waigel Optimistic on Tax Reform

FRANKFURT (Reuters) — Germany's finance minister, Theo Waigel, said Sunday he was optimistic that an agreement could be reached on a planned major reform of Germany's tax system during talks with opposition politicians later this month.

Mr. Waigel was quoted in the Welt am Sonntag newspaper as saying he was confident of "an agreement by the middle of this year on the first part of the reform for Jan. 1, 1998."

Fidelity Seeks Ways to Stem Manager Turnover

By Carole Gould
New York Times Service

NEW YORK — Every time a mutual fund manager leaves Fidelity's Fidelity Investments, a game of musical chairs ensues. The departing manager's seat must be filled, generally by the manager of another fund, who then must be replaced, and so on.

Well aware of investor frustration with the turnover, Fidelity, which is privately held, responded last week by saying it would create a new class of its shares — preferred stock with yields above the market average — to "attract, retain, compensate and motivate qualified employees."

Whether or not the move stems the turnover, not everyone is worried about the rapid pace of change at Fidelity.

Jack Bowers, who edits Fidelity Monitor, an independent newsletter in Rocklin, California, says in its February issue that the turnover has been more of a public relations problem than a performance problem for the company.

Even though competitors flush with cash are luring away Fidelity managers, the company employs almost 500 re-

searchers, analysts and managers to help fill vacancies when they arise, Mr. Bowers said.

True, Fidelity is giving its best managers multiple assignments.

George Vanderheiden is picking stocks for six funds, and Bettina Doulton for four funds. But in each case, the managers' portfolios hold similar groups of stocks, Mr. Bowers wrote.

The overriding issue for investors remains whether manager turnover has had a significant bearing on long-term performance. To find out, Mr. Bowers examined a number of Fidelity's domestic stock funds — in the growth, growth-and-income and specialized categories — with at least five years of performance data. He grouped them by the number of managers they had had over the last five years, then calculated the average five-year return for those with one, two, three or four or five managers.

Mr. Bowers found no significant correlation between how well a fund performed and how often its manager changed. The numbers suggest that frequent changes have not been a drag on performance, he wrote.

He said Contrafund, which has had

one manager and an average 18.2 percent annual return "may have been easier on the nerves over the last five years."

But Value, which has had five managers and an 18.9 percent annual return, "was just as good a performer."

The explanation, Mr. Bowers said, was that Fidelity's managers are backed by a big pool of stock analysts and researchers, and managers often do their research in groups. Moreover, research is shared internally.

But good research does not guarantee good performance, he noted. Lately, the stock market has favored large-capitalization stocks and ignored Fidelity's favorites — smaller stocks.

Fidelity Shifts Six Managers

Fidelity said it would change the managers of six "sector" mutual funds as part of an effort to expose them to different industries. Bloomberg News reported from Boston.

Fidelity markets more than 35 "sector" funds that concentrate their assets in one industry. Fidelity said it rotated the assignments of its sector fund managers periodically to expose them to different industries and market sectors.

It's All the Same

Fidelity funds in the growth, growth-and-income and select groups do not appear to have been dragged down by manager turnover. Here is the average performance of these funds, based on the number of managers they have had over the last five years.

Managers in the last 5 years	Number of funds	Average annualized return
1	5	17.2%
2	17	16.1
3	18	17.1
4	12	16.7
5	5	16.7

Source: Fidelity Monitor

The New York Times

GROW: Unilever's Plans Win Market Approval

Continued from Page 11

Unilever that its stock sells at a modest price-to-sales ratio. By this measure, which divides an equity's price by the company's sales per share, Unilever is trading at roughly 1.

Direct competitors like Procter & Gamble Co., Colgate-Palmolive Co. and H.J. Heinz Co. are trading at ratios of 2.43, 1.82 and 1.74, respectively.

Then there are Mr. Fitzgerald's plans to refurbish or sell a variety of other businesses, mostly in the food area, that have been underperforming. Those divisions

account for an additional 20 percent or so of the company's revenues.

True, the sales announced last week are expected to leave Unilever with perhaps \$3 billion in cash once it has paid down debt, and that has set off speculation among investors that Unilever might begin a big takeover. Potential targets were said to include CPC International Inc., Talmbrands Inc. and Heinz.

Analysts said, however, that they doubted such a move. Edwin Platt of the Dreyfus Fund, whose largest shareholding is Unilever,

said, "They seem to be on a roll here and I don't think they want to do anything to disrupt that with a big acquisition."

Moreover, under Mr. Fitzgerald, Unilever has already undergone substantial change, from a giant with 57 different product categories in 1993 to 14 now. Still, Unilever produces a daunting array of goods, including Lipton tea, Breyer's ice cream, Vaseline skin lotions, I Can't Believe It's Not Butter margarine, and cosmetics and fragrances under the Helene Curtis and Elizabeth Arden names.

MONEY: Launderers Prosper in Eastern Europe

Continued from Page 11

Ceolal bankers in the region are still reluctant to force commercial banks to scrutinize suspicious transactions.

"They don't see it as good for the system as a whole, but as an intrusion," Mr. Harfield said.

Not all money laundering goes through banks. Most regional stock exchanges accept cash settlements. Manipulat-

ing real estate prices is another way to launder money.

The Czech Republic has passed some of the region's toughest laws but lacks enforcement. Along with Slovakia, in particular, it is ideally situated for money laundering, lying between Russia and Ukraine in the East and the more sophisticated West European banking systems.

"It's a perfect conduit to get money into the system and

then launder it into the West," said Michael Carlton, an accountant at Ernst & Young.

"In Slovakia you have anonymous accounts. It's a money launderer's heaven."

"The fraudster will find the weakest link in any chain," said Maryn Bridges, a money laundering specialist at the accounting firm Deloitte & Touche, "and for the moment Central and Eastern Europe is the weakest link."

U.S. Bond Rally Looks So Good That Even Bears Are Buying

Compiled by Our Staff From Dispatches

NEW YORK — Bond prices have risen so far so fast that even the bears are becoming buyers, and prices are expected to extend their gains this week, although the market may need to take a breather first.

Yields on 30-year Treasury bonds dropped nearly 40 basis points in the last three weeks. On Friday, bonds got a boost from a report showing a drop in producer prices for the first time since October 1994. The benchmark 30-year yield finished the week at 6.52 percent, down from 6.72 percent last week.

"Our feeling is you've come a long way in a fairly short period of time," said Alex Powers, a fund manager at US Trust Co. "We wouldn't be surprised to see a little bit of a pullback in the near term."

The bond market managed to rally even though the demand at the Treasury's 3 refunding auctions ranged from mediocre at the 3-year sale to outright weak at the 10- and 30-year sales. But investors who avoided the auctions proved willing to buy the paper in the secondary market, and all 3 new issues, totaling \$39.75 billion, are now trading at a profit.

But Ted Ake, head of government trading at Everen Securities, said Treasury bond yields had got to levels where investors were reluctant to buy. He said he doubted,

though, that that reluctance would translate into any big decline in prices.

"Domestic accounts are still looking to take some profits and maybe reload at better levels," Mr. Ake said. "Foreign accounts still seem to have cash and like our market, and will use discounts to buy."

He said that talk of a 6.25 percent bond yield seemed optimistic, but added that the

U.S. CREDIT MARKETS

market had "already gone farther than I thought it would."

Mr. Powers of US Trust said the bond market probably needed to see more evidence of economic weakness before it goes still higher. He said he expected that weakness to start showing up in the second quarter, and noted that second-quarter growth was robust last year, which means this year's statistics may suffer by comparison.

That has set the stage for additional gains next week, especially if Wednesday's consumer price report for January shows a 0.3 percent increase as expected.

"As long as we aren't seeing an uptick in inflation, there isn't any reason the market has to back up," said Dave Capurro of Franklin Templeton Group in San Mateo, California. (Bloomberg, Bridge News)

Why he can look forward to living twice as long as he would have a century ago.

Today, no one thinks twice about somebody living to the ripe old age of 80. A hundred years ago, however, it was a rarity.

With improvements in water quality, nutrition and hygiene, life expectancy began to rise. But the biggest strides came near the turn of the century when huge advancements in medicine gave doctors the ability to treat and even cure many life-threatening diseases.

Hoechst has contributed to modern medicine for over a century.

Hoechst (pronounced Herkst) was there, joining forces with leading scientific researchers like Robert Koch, Emil von Behring and Paul Ehrlich. The discoveries of these Nobel Prize-winning scientists initiated the age of bacteriology, immunology and chemotherapy.

Hoechst pioneered the development of tuberculin, insulin, and antitoxins for diphtheria and



At the turn of the century the average life expectancy was 40 years. Today in Germany, for instance, women live an average 80 years.

tetanus, as well as antibiotics to fight infectious diseases. Not to mention important medications that have contributed to the successful treatment of heart disease and strokes.

At Hoechst, we're proud of our history. And to be sure, the relentless pursuit of medical advances has caused life expectancy to rise.

But just as typhoid, cholera and bacterial infections endangered lives in the past, diseases such as AIDS, cancer and other killers threaten us today.

Which is why our pharmaceutical division Hoechst Marion Roussel spends about DM 2 billion a year on pharmaceutical research and development.

If history is any indication, it's money well spent. For our future. And for yours.

Hoechst
D-65926 Frankfurt am Main
Internet: <http://www.hoechst.com/>

Hoechst

Shakeout in Japan Oil Industry?

Mitsubishi and Showa Shell Study Refinery Merger

Compiled by Our Staff From Dispatches

TOKYO — Mitsubishi Oil Co. said Sunday it was considering a merger of its refining divisions with Showa Shell Sekiyu KK, a move that would create Japan's largest refinery company.

In a brief statement, Mitsubishi Oil said it was studying the possibility of a merger as a way to streamline its business operations. It gave no details.

The merger, if completed, would create a company with an oil-refining capacity surpassing that of the current leader, Nippon Oil Co.

The statement by Mitsubishi Oil comes as the first sign of a shakeout in the Japanese oil industry since the government lifted a ban on imports of refined petroleum products — such as gasoline and airplane fuel — last April.

The Nihon Keizai reported that the two companies planned to combine their eight refineries into a single entity by 1998. Their sales divisions will remain independent, the newspaper said. "The relevant departments are in the process of studying that as one possibility," Mitsubishi Oil said of the report.

Separately, the chairman of Mitsubishi Oil Co. hinted that he might resign over the company's involvement in oil deals at the center of a bribery scandal.

"I can't make the decision to resign on my own, but I think it is necessary," the chairman, Kikuo Yamada, said in an interview with the Yomiuri Shimbun.

Mr. Yamada has come under fire from other Mitsubishi officials over a series of oil-product deals with Mitsui Mining Co. that were brokered by an oil wholesaler Junichi Izui, the newspaper said.

Mr. Izui was indicted in November on charges of evading 330 million yen in income tax on commissions from 1992 to 1994. He and two former executives of Mitsubishi Oil and Mitsui Mining were arrested in January on fraud charges.

Mr. Yamada and other officials at Mitsubishi Oil were not immediately available to comment on the report.

(Bloomberg, Reuters)

Mobil in Joint Shipping Venture
Mobil Shipping and Transportation

Co. and Dubai Investments announced they had formed a 50-50 shipping joint venture, primarily to transport crude oil for Mobil Corp., the Reuters news service reported from Dubai.

Mobil Shipping is a unit of Mobil Oil.

The partners said the venture, called Dubai Mobil Shipping Co. had purchased a double-hull crude carrier for \$85 million, financed in equal parts by equity and a December U.S. bond issue.

"It is the first joint venture between Dubai Investments and Mobil. But I believe there are many to come," said Anis Jallaf, Dubai Investments' chief.

The 300,000-ton ship, which can carry 2.2 million barrels of oil, was built by Sumitomo Corp. It is the new company's only asset to date and was previously owned by Mobil. The joint venture provides that the ship, called The Eagle, will be leased back to Mobil.

Dubai Investments, a Gulf investment company, was established in 1995 with a capital of \$355 million and a United Arab Emirates investor base of 32,000 shareholders.

Call for More Aid to East Germany

Bloomberg News

BERLIN — As subsidized construction programs wind down in Eastern Germany, a recession this year cannot be ruled out, a leading German research institute has warned.

"Most of the programs for building owners are now expiring, but the hand-off to other industries wasn't successful," Lutz Hoffmann, president of the DIW institute, said in an interview with the newspaper Welt am Sonntag.

Germany must increase its public investment in both Eastern and Western Germany to give the economy a boost, Mr. Hoffmann said, adding that he thought overall public investment needed to be bolstered by about 20 billion Deutsche marks (\$11.9 billion).

While that may pose a problem for the government as it seeks to cut spending to qualify for European economic and monetary union in 1999, Mr. Hoffmann said currency union would not necessarily have to be postponed to support the Eastern states.

"The Maastricht Treaty is not as strict as is often maintained," he said.

He added that there was room for interpretation in the criteria for public debt.

Bonn is trying to do too much by sticking to a strict interpretation of single-currency criteria while trying to reunify Eastern Germany, cut public spending and reform taxes, he said.

It will be more expensive to deal with the costs of high unemployment later on, he said.

In January about 1.34 million Germans in the East were without a job — 18.7 percent of the working population. The percentage rose from 15.9 percent in December as bad weather halted construction activity. In all of Germany, a record 4.65 million people were unemployed in January, or 12.2 percent of the work force.

Since reunification, the government has invested more than 1 trillion DM in rebuilding the Eastern states, with about 200 billion DM flowing from the West to the East each year, Welt am Sonntag said.

Mr. Hoffmann said talk of cutting subsidies to Eastern Germany was premature because the region will need public support for at least 10 more years before it can stand on its own.

Pasminco Faces Close of Dutch Smelter

Bloomberg News

MELBOURNE — The managing director of Pasminco Ltd., David Stewart, said Sunday the company could temporarily close its Dutch Budel smelter because of delays in winning aboriginal support for the Century zinc mine project worth 1.1 billion Australian dollars (\$841 million).

RTZ-CRA, the mine owner, is planning to sell Century Zinc Ltd. to Pasminco, an Australian base metals miner,

once agreement with aboriginal groups is reached. RTZ-CRA said Friday it had not made a settlement with the aboriginal communities by the deadline at midnight Thursday. Century is one of the world's biggest untapped zinc deposits.

Under Australia's Native Title Act, the aborigines have a right to claim ownership of land and seek compensation for use of that land.

Talks over compensation to aboriginal groups will now

go into arbitration, which could take more than six months.

"The end of this year is still manageable," Mr. Stewart said. "It will be tight, but at worst we could face a temporary shutdown" of the Dutch smelter.

But Mr. Stewart said he was "optimistic" the two parties would reach agreement.

Pasminco needs Century zinc ore, which can be produced without creating toxic

waste, to meet stringent environmental standards set by the Dutch government.

Mr. Stewart said previously that if Pasminco did not have access to the Century ore, it would be forced to close the Budel smelter permanently, costing 580 jobs.

The smelter earned Pasminco 25.1 million dollars in the first half of 1996, according to the company's annual report. It values its Budel operations at more than 200 million dollars.

GAMES: Multimedia Companies Seek a Grown-Up Audience

Continued from Page 11

story line and dramatically-modulated soundtracks, even mingling verbal and visual puns.

Targeting the 18-to-44 age group, Pepper's Ghost has devised a cybercity called Corazoo to be populated by computer-generated avatars, realistic figures who take over the running of this lawless free state, "a Hong Kong of the Americas," according to Godfrey Parkin, managing director of the multimedia developer.

"It's a role-playing game where you can become whomever you want — Al Capone, a bartender or Bill Gates," Mr. Parkin said.

By enlisting film and theater directors, scriptwriters and composers — and avoiding video-game enthusiasts — Mr. Parkin tried to create a mock-up world that would appeal to adults.

"The project's creative team wouldn't be seen dead playing 'Doom,'" he said, referring to the popular shoot-'em-up game.

Canal Plus Multimedia, a division of the pay-television company Canal Plus SA, is offering its own "parallel universe" with a cybernetic recreation of Paris. Subscribers to "Second World," a hybrid CD-ROM and on-line game,

tailor their avatar's physiognomy, body and clothes — "the karaoke of countenance," said Alain LeDiberder, the president of the multimedia division and creator of the game. These pixelated personas then set forth to mingle with other avatars, redecorate their own virtual apartments, announce poetry readings at the Angst Cafe in the virtual newspaper, and order a shirt from the shelves of a virtual department store.

Newspaper, cafe and apartment may be make-believe, but the merchandise is

real. Canal Plus has a partner in the venture, the computer-consulting company Cap Gemini Sogefi SA, which will get a small percentage from each sale.

"Second World" will be launched at the end of the month in French and will be available by the end of the year to English and Japanese, according to Mr. LeDiberder.

In Mind Gym, the CD-ROM jointly developed by NoHo Digital Ltd. and Melrose Film Productions Ltd., smart-aleck personal trainers use a battery of questions to size up the player's personality, then plunge him or her into the "pool of ideas" for a creativity workout, a madcap piece of gymnastic analysis on the lunatic fringes where the pop healer, M. Scott Peck meets Groucho Marx.

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Tuesday

STYLE

From Paris to Milan, from New York to Tokyo, fashion editor Suzy Menkes covers the fashion front. With additional reporting on lifestyle issues, the Style section provides up-to-date information on developments in the changing world of creative design.

Every Tuesday in the International Herald Tribune.

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Cookie Maker Threatened

Bloomberg News

MELBOURNE — Arnotts Ltd., Australia's largest maker of cookies, said it may lay off as many as 1,000 workers, or a quarter of its staff, after an extortionist threatened to poison its products. Arnotts removed its cookies from market shelves in Queensland and New South Wales states after the threats. Prolonged absence from those markets, while tamper-proof packaging is being developed, could lead to layoffs, the company said.

**DAIWA JAPAN FUND
SICAV (in liquidation)**
2, Boulevard Royal
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R.C. Luxembourg B-26 457

Notice of Extraordinary General Meeting

The shareholders of DAIWA JAPAN FUND are hereby convened to attend an Extraordinary General Meeting of Shareholders to be held on March 5th, 1997 at 3:00 p.m. at the offices of Banque Internationale à Luxembourg, 69, route d'Esch, Luxembourg, Grand-Duchy of Luxembourg to deliberate on the following agenda:

1. to hear the report of the auditor to the liquidation appointed at the previous meeting;
2. to give discharge to the Liquidator, Auditors to the liquidation and Directors who had been in place;
3. to decide to close the liquidation and distribute the remaining net assets in cash;
4. to decide to keep the records of DAIWA JAPAN FUND for a term of five years at the offices of Banque Internationale à Luxembourg.

Shareholders are informed that at this Meeting, no quorum is required for the holding of the meeting and the decision will be passed by a simple majority of the shares present and voting.

The Liquidator



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GERMANY	DEM	182	72 60%
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IRELAND	IR£	52	26 50%
ITALY	ITL	145,600	58,000 60%
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NORWAY	NOK	832	390 53%
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SPORTS

Australian Comeback

Lonard Defeats Illness to Take Masters

MELBOURNE — Tiger Woods' putting game deserted him again and he finished in eighth place Sunday in the Australian Masters, won in a playoff comeback by Peter Lonard.

Four years ago, Lonard was bedridden with a rare tropical disease. The fight to regain his health — he was so weak he could not walk two holes of golf — drained his finances. On Sunday he gained his first victory as a professional, beating a fellow Australian, Peter O'Malley, on the second extra hole.

Woods closed with a 1-under-par 73, seven strokes off the pace. He was 9-under, at 283, tied with Larry Mize and Roger Davis.

Woods was seeking his fifth victory in 14 professional starts and trying to win on a third continent this year. But he struggled all week to read the difficult greens at the Huntingdale course.

Lonard and O'Malley finished 16-under, a shot ahead of the Australians Shane Tait and Wayne Grady.

The two leaders shared the first playoff hole, the 18th. At the second, the par-4 17th, both missed the green, with O'Malley far to the right. His chip landed eight feet from the cup while Lonard's

was four feet away. O'Malley's putt slid past the hole; Lonard put his in the cup.

In 1992, Lonard was bitten by a mosquito while playing in the Palm Meadows Cup in Australia, and was infected with Ross River Fever. For five years he suffered, and his eyesight started to fail.

New contact lenses solved that problem. Then his swing had to be rebuilt. But the illness left him listless. He tried everything, and was spending up to \$150 a week on vitamin injections.

Already this season, Lonard had finished second in the Australian Players Championship and the Australian PGA and had seven other top-10 finishes.

• Nick Price of Zimbabwe romped to an eight-stroke victory Sunday in the Dimension Data Pro-Am in Sun City, South Africa. Price shot a 20-under-par 72-hole total of 268. (AP, Reuters)

■ **Reid Regains Lead in Hawaii**

Mike Reid birdied the final hole Saturday to regain a one-shot lead after the third round of the \$1.2 million PGA Hawaiian Open. Agence France-Presse reported from Honolulu. Reid, who shared the first-round lead, shot a 66 to move to 16-under 200 through 54 holes. Paul Stankowski was second at 201.



Oliver Merle of France running the ball as two Welshmen close in during their Five Nations rugby match.

Enqvist Wins as Rios Retires

MARCELO RIOS retired last Sunday, giving Thomas Enqvist of Sweden victory, 6-4, 1-0, in the final of the Marcellus ATP tennis tournament.

The Chilean, who pulled out after 39 minutes, first hurt his leg in Saturday's semifinal victory over Sergi Bruguera of Spain.

Against Enqvist, Rios left the court at 3-3 in the first set and returned with dressing on his leg. Even though he still was not moving well, he tried to play on.

Enqvist sealed the first set on his first break point of the match, and then held his service in the opening game of the second set before Rios threw in the towel.

The victory gave Enqvist his 12th ATP tour title in 13 finals.

• Greg Rusedski beat Andre Agassi 6-3, 6-4 in the Sydney Open on Saturday night to advance to the final against defending champion Pete Sampras.

Sampras, ranked No. 1 in the world, beat Todd Martin 6-2, 6-3 earlier in the day.

France Hangs On to Defeat Wales

France held off a brave challenge from Wales to score a 27-22 victory in Paris and remain hard on England's heels in the Five Nations rugby championship.

France, with six forced changes to the team that beat Ireland in its opening match last month, lost Richard Dourthe, its kicker, who was injured in the first half. Although Christophe Lamaison missed a string of kicks, the French scored four tries to Wales's three.

Wales, relying on a powerful back row and the brilliant playmaking of the half-backs Robert Howley and Arwel Thomas, kept fighting back despite conceding a try in the third minute, two tries

English Spin Bamboozles Kiwi Batsmen

CHRISTCHURCH — New Zealand reeled to 95 runs for six wickets Sunday in its second innings at close of play on the third day to leave the third cricket test against England finely balanced.

New Zealand had established a 118-run first-innings lead earlier in the day when it bowled England out for 228 runs. Then its batsmen failed to press home the advantage, and New Zealand finished just 213 runs ahead but with its batting in tatters and two days to play.

The opening batsman, Bryan Young, caused a sensation in the final session by refusing to leave the wicket after being given out caught close to the wicket by Nick Knight from the left-arm spinner Phil Tufnell.

Young stood his ground and gestured that the ball had bounced before it reached Knight. The Australian umpire, Darrell Hair, who had indicated that Young was out, consulted a fellow official, Steve Dunne of New Zealand, who agreed that Young was out.

Young had made 49 in 165 minutes, the only innings of substance as New Zealand's batsmen lost their way.

At stumps, Chris Cairns was on five and Matt Horne, battling with a broken bone in his left hand, was on four.

The spinners Tufnell and Robert Croft had done the damage, with two for 24 off 18 overs and two for 25 from 20 overs respectively.

Earlier, England's captain, Mike Atherton, became only the seventh English batsman to bat through a complete test innings when he finished 94 not out in England's first innings of 228.

Atherton batted for 345 minutes before running out of partners when Andrew Caddick and Tufnell departed in quick succession after the lunch break.

Atherton began the day on 66, but the only solid support he received came from Croft, who made 31 in a 53-run stand for the seventh wicket.

Tufnell, the last and weakest, English batsman, came to the wicket with Atherton on 92. Instead of concentrating on sticking around while his captain reached a century, Tufnell went on the attack, pinching the strike from his captain, hammering the ball all round the field and scoring a brisk 13 before falling to Simon Doull and leaving Atherton unbeaten but six short of his century.

Geoff Allott, a left-handed fast bowler, finished with four for 74, the medium pacer Nathan Aspinall took two for 26, with the other four New Zealand bowlers taking one wicket each.

SCOREBOARD

BASKETBALL									
NBA STANDINGS									
EASTERN CONFERENCE									
ATLANTIC DIVISION									
Miami	39	12	765	GB					
New York	36	14	720	2nd					
Orlando	34	16	700	3rd					
Washington	33	17	690	4th					
Philadelphia	32	18	680	5th					
New Jersey	31	19	670	6th					
Boston	29	21	650	7th					
Charlotte	27	23	630	8th					
Atlanta	26	24	620	9th					
Indiana	25	25	610	10th					
Chicago	24	26	600	11th					
Detroit	23	27	590	12th					
Los Angeles	22	28	580	13th					
San Antonio	21	29	570	14th					
Phoenix	20	30	560	15th					
Golden State	19	31	550	16th					
Utah	18	32	540	17th					
Houston	17	33	530	18th					
Memphis	16	34	520	19th					
Portland	15	35	510	20th					
Sacramento	14	36	500	21st					
San Diego	13	37	490	22nd					
Seattle	12	38	480	23rd					
Vancouver	11	39	470	24th					
PACIFIC DIVISION									
L.A. Lakers	37	13	740	GB					
San Jose	36	14	730	2nd					
Portland	35	15	720	3rd					
Phoenix	34	16	710	4th					
Sacramento	33	17	700	5th					
Golden State	32	18	690	6th					
Utah	31	19	680	7th					
Los Angeles	30	20	670	8th					
San Antonio	29	21	660	9th					
Phoenix	28	22	650	10th					
Seattle	27	23	640	11th					
Vancouver	26	24	630	12th					
Portland	25	25	620	13th					
Sacramento	24	26	610	14th					
Golden State	23	27	600	15th					
Utah	22	28	590	16th					
Los Angeles	21	29	580	17th					
San Antonio	20	30	570	18th					
Phoenix	19	31	560	19th					
Seattle	18	32	550	20th					
Vancouver	17	33	540	21st					
Portland	16	34	530	22nd					
Sacramento	15	35	520	23rd					
Golden State	14	36	510	24th					
Utah	13	37	500	25th					
Los Angeles	12	38	490	26th					
San Antonio	11	39	480	27th					
Phoenix	10	40	470	28th					
Seattle	9	41	460	29th					
Vancouver	8	42	450	30th					
Portland	7	43	440	31st					
Sacramento	6	44	430	32nd					
Golden State	5	45	420	33rd					
Utah	4	46	410	34th					
Los Angeles	3	47	400	35th					
San Antonio	2	48	390	36th					
Phoenix	1	49	380	37th					
Seattle	0	50	370	38th					
Vancouver	0	51	360	39th					
Portland	0	52	350	40th					
Sacramento	0	53	340	41st					
Golden State	0	54	330	42nd					
Utah	0	55	320	43rd					
Los Angeles	0	56	310	44th					
San Antonio	0	57	300	45th					
Phoenix	0	58	290	46th					
Seattle	0	59	280	47th					
Vancouver	0	60	270	48th					
Portland	0	61	260	49th					
Sacramento	0	62	250	50th					
Golden State	0	63	240	51st					
Utah	0	64	230	52nd					
Los Angeles	0	65	220	53rd					
San Antonio	0	66	210	54th					
Phoenix	0	67	200	55th					
Seattle	0	68	190	56th					
Vancouver	0	69	180	57th					
Portland	0	70	170	58th					
Sacramento	0	71	160	59th					
Golden State	0	72	150	60th					
Utah	0	73	140	61st					
Los Angeles	0	74	130	62nd					
San Antonio	0	75	120	63rd					
Phoenix	0	76	110	64th					
Seattle	0	77	100	65th					
Vancouver	0	78	90	66th					
Portland	0	79	80	67th					
Sacramento	0	80	70	68th					
Golden State	0	81	60	69th					
Utah	0	82	50	70th					
Los Angeles	0	83	40	71st					
San Antonio	0	84	30	72nd					
Phoenix	0	85	20	73rd					
Seattle	0	86	10	74th					
Vancouver	0	87	0	75th					
Portland	0	88	0	76th					
Sacramento	0	89	0	77th					
Golden State	0	90	0	78th					
Utah	0	91	0	79th					
Los Angeles	0	92	0	80th					
San Antonio	0	93	0	81st					
Phoenix	0	94	0	82nd					
Seattle	0	95	0	83rd					
Vancouver	0	96	0	84th					
Portland	0	97	0	85th					
Sacramento	0	98	0	86th					
Golden State	0	99	0	87th					
Utah	0	100	0	88th					
Los Angeles	0	101	0	89th					
San Antonio	0	102	0	90th					
Phoenix	0	103	0	91st					
Seattle	0	104	0	92nd					
Vancouver	0	105	0	93rd					
Portland	0	106	0	94th					
Sacramento	0	107	0	95th					
Golden State	0	108	0	96th					
Utah	0	109	0	97th					
Los Angeles	0	110	0	98th					
San Antonio	0	111	0	99th					
Phoenix	0	112	0	100th					
Seattle	0	113	0	101st					
Vancouver	0	114	0	102nd					
Portland	0	115	0	103rd					
Sacramento	0	116	0	104th					
Golden State	0	117	0	105th					
Utah	0	118	0	106th					
Los Angeles	0	119	0	107th					
San Antonio	0	120	0	108th					
Phoenix	0	121	0	109th					
Seattle	0	122	0	110th					
Vancouver	0	123	0	111th					
Portland	0	124	0	112th					
Sacramento	0	125	0	113th					
Golden State	0	126	0	114th					
Utah	0	127	0	115th					
Los Angeles	0	128	0	116th					
San Antonio	0	129	0	117th					
Phoenix	0	130	0	118th					
Seattle	0	131	0	119th					
Vancouver	0	132	0	120th					
Portland	0	133	0	121st					
Sacramento	0	134	0	122nd					
Golden State	0	135	0	123rd					
Utah	0	136	0	124th					
Los Angeles	0	137	0	125th					
San Antonio	0	138	0	126th					
Phoenix	0	139	0	127th					
Seattle	0	140	0	128th					
Vancouver	0	141	0	129th					

SPORTS

Mashburn Warm In Debut for Heat

Miami Streak Reaches 9 As Former Mav Scores 14

The Associated Press

Jamal Mashburn scored 14 points in his Miami debut, and Alonzo Mourning and Voshon Lenard scored 24 points apiece as the Heat extended their winning streak to a franchise-record nine games with a 125-99 home victory over the Philadelphia 76ers.

Mashburn, acquired Friday in a trade with Dallas, made his first appearance on Saturday night with 6:54 left in

NBA ROUNDUP

the first quarter. His first basket gave Miami a 24-14 lead. He added three assists and three rebounds in 32 minutes.

Lenard scored all of his points on 3-pointers, going 8-for-11 from beyond the arc. Miami set franchise records with 17 3-pointers and 39 assists.

Jerry Stackhouse scored 26 points and Don MacLean had 20 for Philadelphia, which dropped its third straight.

Allen Iverson, the 76ers' rookie sensation, did not start and was benched for the entire first quarter as punishment for missing a team practice on Friday. He finished with 13 points on 3-of-13 shooting in 24 minutes.

Nets 107, Bulls 86 Khalid Reeves scored 23 points and Kendall Gill 22 as host New Jersey repaid Washington for an embarrassing loss the night before.

Shawn Bradley, who has been in a slump, and Kerry Kittles, who was playing hurt, each added 14 points and Jayson Williams had 15 rebounds for the Nets.

Rod Strickland had 18 points and Juwan Howard 17 for the Bulls, who lost for the second time in three games with Bernie Bickerstaff as coach.

Hawks 109, Spurs 89 In San Antonio, Steve Smith scored 25 points and Mookie Blaylock had 21 for Atlanta. The Hawks, who suffered a one-point loss to the Chicago Bulls on Friday, have won 17 of their last 22.

Christian Laettner added 17 points for Atlanta, and Alan Henderson scored 14. Henderson was playing his first game of the season after being sidelined with acute viral pancreatitis.

Bucks 92, Nuggets 87 Vin Baker scored 21 points and Ray Allen had 15, including two key baskets in the final two minutes, as Milwaukee won its third straight.

Visiting Denver, which lost its third in a row, was led by LaPhonso Ellis with 22 points. Mark Jackson added 14 assists for the Nuggets.

Jazz 98, Mavericks 84 In Salt Lake City, Jeff Hornacek scored 18 points and John Stockton added 17 and eight assists as Utah won its fifth straight.

Jimmy Jackson scored 19 points and George McClellan 17 for the Mavericks, who have lost three straight and 11 of their last 15.

Trail Blazers 109, Rockets 105 Kenny Anderson scored 16 of his season-high 35 points in the third quarter, and host Portland rallied from a 26-point deficit to defeat Houston.

Anderson made a 15-footer with 3:12 left to put the Blazers ahead, 103-95, but two free throws by Hakeem Olajuwon with 53.8 seconds remaining brought the Rockets within two, at 105-103.

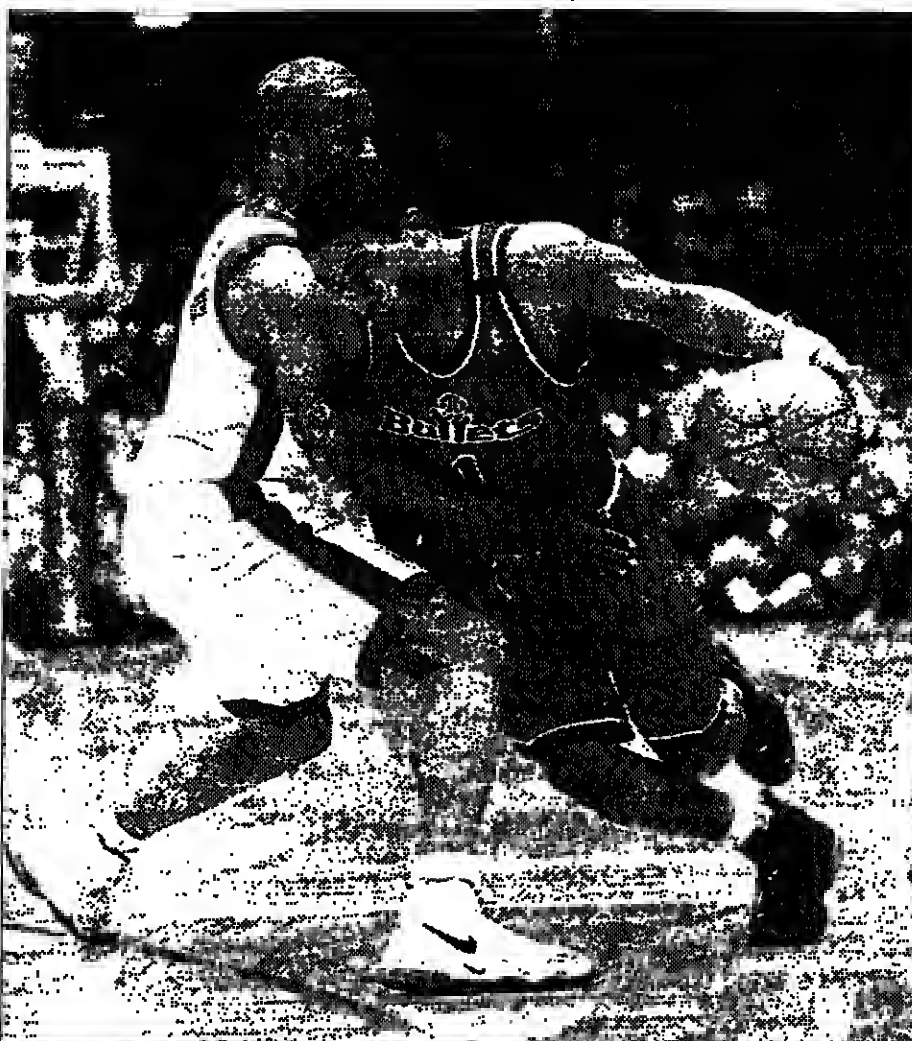
Isiah Rider then sealed Portland's triumph by making four free throws in the final 9.8 seconds. Rider scored 26 points overall, and Rasheed Wallace had 16 points and 14 rebounds for the Blazers. The Rockets lost their seventh straight road game.

Kemp and Barkley Sit Shawn Kemp of the Seattle SuperSonics and Charles Barkley of the Houston Rockets each were suspended for one game and fined by the NBA on Saturday, a day after their teams tangled. The Associated Press reported from New York.

Barkley, fined \$2,500, missed Saturday night's game at Portland. Kemp, fined \$3,000, was to miss Sunday night's game in Los Angeles against the Lakers.

Kemp was penalized for throwing a punch at Houston's Kevin Willis late in the third quarter of Seattle's 105-85 victory. Kemp was ejected after the altercation, which carried an automatic \$1,000 fine.

Barkley was penalized for leaving the bench during the fight.



Rod Strickland of the Blazers heading around Khalid Reeves of the Nets.

Jayhawks' Defense Proves Too Much for Colorado

The Associated Press

Raef LaFrentz scored 23 points as No. 1 Kansas overwhelmed No. 15 Colorado, 114-74.

The Jayhawks' relentless defensive pressure wore down their opponents on Saturday and led to numerous fast-break baskets. When the break was foiled, Kansas pulled up to hit 3-pointers.

Kansas (25-1, 11-1 Big 12) led by 19 in the first half and went on to beat Colorado (17-7, 8-4) for the 16th straight time. It was the Jayhawks' 42nd consecutive home triumph.

No. 12 S. Carolina 97, No. 8 Cincinnati 83 South Carolina hit a school-record 15 3-pointers, four of them in a late 16-5 spurt.

The Gamecocks started three guards, who combined for 74 points. Larry Davis scored 30 points. B.J. McKie had 27 and Melvin Watson added 17. The Gamecocks (18-6) hit 15-of-24 3-point attempts. Cincinnati (19-5) fell to 1-3 against nationally ranked opponents.

No. 11 Arizona 101, Southern California 77 Henry Bibby, Southern Cal's coach, could only watch as his estranged son, Mike Bibby, scored 17 points for Arizona.

Henry and his wife separated when Mike was a baby, and Virginia Bibby raised their son in Phoenix while Henry lived and worked on the West Coast. After the

COLLEGE BASKETBALL

game, Henry Bibby shook hands with a few Arizona players, but not with his son. Mike Bibby made no attempt to move to his father and declined interview requests.

Michael Dickerson led Arizona (16-6, 8-4 Pac-10) with 23 points as USC (14-8, 9-4) saw its five-game winning streak end.

Massachusetts 78, No. 10 Maryland 61 Lari Ketner had a career-high 19 points and 12 rebounds as Massachusetts woo for the 10th time in 11 games, beating 10th-ranked but free-falling Maryland.

Charlton Clarke scored 22 points and Carmelo Travieso added 16 for the Minutemen (16-10). Maryland (19-6) lost for the fourth time in six games.

No. 3 Minnesota 64, Iowa 66 Minnesota moved closer to its first Big Ten title since 1982 with a victory over third-place Iowa, three days after a 70-67 victory over second-place Purdue.

The Golden Gophers (22-2, 11-1 Big Ten), whose sticky defense forced 21 turnovers, came up with 12 steals against Iowa (16-8, 7-5).

No. 4 Kentucky 85, Florida 56 The Wildcats turned Florida's season-high 30 turnovers into 31 points and coasted to victory in a one-sided Southeastern Conference battle.

Kentucky (24-3, 10-2 SEC) also held the Gators (12-13, 4-8) to just 3-of-11 three pointers. This season, the Gators have averaged 8.8 three pointers and 23 attempts a game.

Some Old Faces Surface As Baseball Seeks Talent

By Murray Chass

New York Times Service

The last time Kelly Gruber was seen in a baseball uniform, the players and owners had not begun their long-running labor dispute.

Scott Bailes last wore a major league uniform when Cal Ripken Jr. was 395 games from Lou Gehrig's consecutive-game streak.

Since Tom O'Malley last played in the majors two new teams and six new ball parks have been built since.

Spring camps are alive, and so are the hopes of Gruber, Bailes, O'Malley and a large number of players like them who are coming out of retirement or back from Japan to try to win jobs.

Most of the players returning from Japan played there as a temporary stop. O'Malley, however, played in Japan the last six seasons. At 36, he will try to win a job with the Texas Rangers, who also invited Bailes to attempt a comeback.

Doug Melvin, the Rangers' general manager, voiced a view common among GMs: talent has become so thin that clubs have to look for players

wherever they can find them.

"It's a matter of clubs saying, 'Who knows?' " Melvin said. "Look at the way Kevin Elster came back. You're always looking for lightning in a bottle. You can't bring 10 of these guys in, but you're hoping to get one of those each year."

Elster, who hit better for the Rangers last year than he ever did, had not retired; his career had seemed at an end because of injuries.

Bailes retired. Gruber retired. Howard Johnson retired and had become a minor league coach. Much Williams had been forced into retirement because no one thought he could pitch anymore.

A back ailment sent Andy Van Slyke into premature retirement. Juan Agosto and Junior Felix retired. Deion Sanders gave up his two-sport career, opting to play football.

Yet they all trying to follow the comebacks last year of Eric Davis and Ryne Sandberg. Davis sat out the 1995 season, then batted .287 and hit 26 home runs for Cincinnati.

Sandberg retired on June 13, 1994, then unretired and hit 25 home runs and drove in 92

runs for the Cubs.

But they were star players and they did not stay away long. Gruber last played in 1993 and even then appeared in only 18 games for the Angels. A herniated disk in his neck ended his career; surgery has brought him back.

"I played with Kelly in 1980 in Batavia in the New York-Penn. League," Kevin Malone, Baltimore's assistant general manager, said. "He was the shortstop. I was the second baseman. We've been friends since then. I called him Thanksgiving day to see how he was doing. He mentioned that his back and shoulder and neck felt good. I said call us if you're interested."

"You can leave no stone unturned, because there are talent limitations," said Malone. "We're looking everywhere for talent and that includes looking to the past."

"We think there's limited risk and maximum return. If we get a quality role player out of it, we feel we'll get maximum benefit."

When Bailes, 34, expressed an interest in trying a comeback, it was logical for the Rangers to look at him because he is a left-handed pitcher. Forget that he last played in the majors with the Angels in 1992.

Bailes has been out of baseball so long that he has had time to become a successful entrepreneur. He owns three children's stores in Ohio and also an apartment rental and development company.

Never mind, Melvin said. He cited Ed Vosberg, a struggling left-handed reliever whose career seemed at an end when he went to Italy to play in 1992. "Ed's done a nice job for us," Melvin said. "You just don't know about the left-handers."

Since Williams gave up the Joe Carter home run that decided the 1993 World Series, he played two months with Houston in 1994, then two more with the Angels in '95. Now Kansas City is giving him a chance to resurrect his career. Only 32, Williams is — what else? — left-handed.

Blackhawks Find Winning Form at Home

Rangers' Gretzky Again Fails to Score; Drought Stretches to 19 Games

The Associated Press

Jeff Hackett made 17 saves for his first shutout of the season as the Chicago Blackhawks won consecutive home games for the first time in nearly four months, beating the New York Rangers 2-0.

Bob Probert and Alex Zhamnov scored Saturday for the Blackhawks, who are 6-1 since Ulf Dahlen, Michal Szykora and Chris Terrieri

NHL ROUNDUP

joined them in the Jan. 25 trade that sent star goalie Ed Belfour to San Jose.

The game Saturday drew the largest home crowd in Blackhawks history — 22,819.

Wayne Gretzky, the Rangers' center and the NHL's career goal-scorer, failed to score a goal, stretching his drought to 19 games, the longest of his career.

Devils 4, Canadiens 1 Martin Brodeur won in his home town and became the most successful goaltender in franchise history as New Jersey extended its unbeaten streak to 10 games with a victory in Montreal.

Brodeur improved his record to 107-64-34 to surpass Chris Terrieri for the most wins by a Devils goaltender.

Bobby Holik, John MacLean and rookies Steve Sullivan and Denis Pederson scored for New Jersey. Brodeur allowed only a first-period goal to Brian Savage as he extended his career-high unbeaten streak to 11 games.

Coyotes 5, Bruins 4 In Phoenix, defenseman Jason More scored 1:13 into overtime for Phoenix, leaving the Bruins winless in six games.

Boston, down 4-1 with 14 minutes left, got two third-period goals from Rick Tocchet and forced overtime when Barry Richter scored with 3.4 seconds remaining.

Craig Janney fed a pass from behind the net to More.



Don Sweeney of the Bruins setting up a slap shot.

His shot deflected off Bruins defenseman Don Sweeney's stick and rolled through goalie Bill Ranford's legs.

Whalers 2, Senators 1 In Hartford, Connecticut, Keith Primeau, back from a stay in the hospital, scored twice for Hartford.

Primeau, who was hospitalized after an asthma attack and missed one game, scored his goals on his only two shots in the second period.

Avalanche 5, Blues 2 Peter Forsberg had two assists and Adam Deadmarsh scored his team-leading 24th goal as

Colorado beat the Blues. Colorado, the league's No. 1 team overall and on the road, won for the 18th time away from home.

Flyers 5, Penguins 1 In Philadelphia, the Flyers played without injured Eric Lindros and beat the Penguins for the sixth straight time at home.

John Druce, Eric Desjardins, Pat Falloon, John LeClair and Daniel Lacroix scored, and Trent Klein added a pair of assists for the Flyers.

Islanders 4, Panthers 2 Claude Lapointe scored at 2:46 of overtime to give the

New York Islanders victory over visiting Florida.

Lapointe took a pass straight up the right wing from Dan Plante, swooped in on goaltender Mark Fitzpatrick and let go a 20-foot backhand shot from the right circle that hit the goalie's left pad and trickled into the net.

Lightning 4, Capitals 1 In Tampa, Dino Ciccarelli moved into a ninth-place tie on the all-time NHL goal-scoring list with a goal after just 11 seconds as Tampa Bay beat Washington.

Ciccarelli's goal was his 573d and tied him with former New York Islander Mike Bossy. The 17-year veteran added an assist to help the Lightning end a four-game losing streak. Tampa Bay had lost eight of nine.

Flames 3, Maple Leafs 0 In Calgary, Alberta, Trevor Kidd made 20 saves for his fourth shutout of the season and Calgary won its fifth in a row.

Corey Millen, Robert Reichel and Jonas Hoglund scored for Calgary.

Kings 2, Oilers 2 Jason Arnott scored on a power play with 1:48 left in the third period to help Edmonton earn a tie in Los Angeles.

Andrei Kovalenko opened the scoring with his 27th goal at 9:09 of the second period before setting up the equalizer with a pass from the left point that found Arnott deep in the right circle.

Ed Olczyk and Sean O'Donnell scored seven minutes apart to put Los Angeles ahead 2-1 in the second period.

Canucks 4, Mighty Ducks 2 In Vancouver, British Columbia, Russ Courtnall scored a goal and assisted on another to lead Vancouver to victory over Anaheim.

The victory was just the second in the Canucks' last seven contests. The loss was the Ducks' fifth in their last seven.

THIS WEEK ON EUROSPORT

The motor racing season gets underway with the spectacular NASCAR Series; can Mark Martin get off to a flying start on the track where he gained his first race win?

Nascar:

23 February, LIVE, The Goodwrench 400, Rockingham, USA

The second leg of the Winston Cup comes from the 1 mile Rockingham Oval set in North Carolina

Tennis:

18 - 23 February, LIVE, the EC Championship, Antwerp, Belgium

Yevgeny Kafelnikov and Boris Becker top the seedings in a field which also includes Marcelo Rios and Tim Henman

Athletics:

18 - 23 February, LIVE, Moscow, Russia - Birmingham, UK

With the world indoor season well underway, some of the big guns of the athletics world will be in action throughout the week

Football:

18 February, World Cup Legends, Italy - Germany

The story of the World Cup unfolds as the Italy-Germany story reaches the 1982 Final



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